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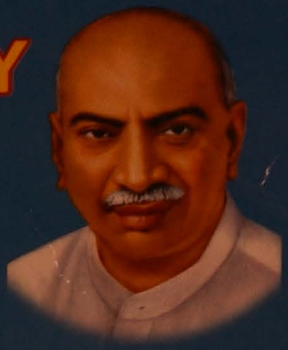

DISTANCE EDUCATION

M.B.A.

SECOND YEAR

IV SEMESTER
ELECTIVE I - MARKETING

ADVERTISING AND SALES PROMOTION

Recognised by DEC

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SYLLABUS
ADVERTISING AND SALES PROMOTION

1. Foundation of Advertising

Nature and Scope of Advertising – Types of Advertising – Functions of Advertising – Advertising Planning & Decision Making – The Environment of Advertising – Advertisement and the Economy - Advertising and the Society – Advertising and Ethics – Industrial Advertising in India – Rural Advertising in India – Current Challenges and opportunities,

2. Advertising Agency Partnership

The Advertiser - The Advertising Agency, Functions, Structure – Forming the Advertiser – Advertisr – Agency Partnership

3. Creating Advertisement and Commercials

Creativity, Creative Strategy and Copywriting – Creative Art Direction – Creative Production – Print Media – Creative Production – Electronic Media

4. Advertising Media

Media Types – Media Strategy and Planning – Print Media – Electronic Media – Redership Data Studies ORG, INS, NRS, VII, VIII, IX and X – Media Research Agencies in India – IMRB, ORG, MARG and INS

5. Research & Evaluation

Advertising Research – Audience Analysis & Behaviour- Copy Research – Advertising contribution to Sales – Advertising communication performance – Pre-testing and Post-testing

6. Sales Promotion

Scope and importance of sales promotion: The promotion blend, Scope of Sales Promotion,

Consumer Sampling, premium, contents and education.

Trade Association and Sales Promotion, comprehensive Sales Promotion Programmes, planning and Budgeting for Sales Promotion.

Working with dealers and agents

CONTENTS

UNIT - 1

FOUNDATIONS OF ADVERTISING 1

UNIT - 2

ADVERTISING AND THE ECONOMY 26

UNIT - 3

INDUSTRIAL ADVERTISING IN INDIA 56

UNIT - 4

ADVERTISERS AND ADVERTISING AGENCY 88

UNIT- 5

THE CLIENT-AGENCY RELATIONSHIP 123

UNIT – 6

CREATIVE APPROACHES 144

UNIT -7

MEDIA STRATEGY AND PLANNING 185

UNIT- 8

AUDIENCE RESEARCH IN INDIA 214

UNIT- 9

ADVERTISING COPY-TESTING AND DIAGNOSIS 229

UNIT- 10

SALES PROMOTION 257

FOUNDATIONS OF ADVERTISING

Structure

1.1 Introduction

1.2 Unit objectives

1.3 Nature and Scope of Advertising

1.4 Functions of Advertising

1.5 Types of Advertising

1.6 Advertising Planning & Decision Making

1.7 Benefits or Importance of Advertisement

1.8 Summary

1.9 Answer to check your progress

1.10 Model questions

1.1 INTRODUCTION

Manufacturers and other producers have to plan in advance about the advertising programme to be made. In the modern economy advertising plays a vital role for pushing up sales. The factors such as the products to be sold, the consumers and the markets are considered as the foundations for building of an advertising programme. In other words an analysis of the features of the products, an investigation of likely customers and a study of markets are to be made. Advertising is a powerful technique of sales promotion, has been doing wonders in the domain of distribution, as it affects production, consumption, exchange and distribution; various segments of society are affected deeply by the great shell of publicity in particular and society in general. Advertising management is a branch of marketing management because advertising is one of the functions of marketing. In the Marketing Mix (4p'of marketing, product, price, place and promotion) advertising or the "Promotion" plays a significant role. Advertising plays an important role in the marketing process in achieving the marketing objectives i.e. achieving a target sales of the product or to increase the sales of the product not only in the short

run but also over an extended period of time by changing the behavioral attitude of the consumers, or reaching a new target market. Advertising management focuses on the analysis, planning, control and decision making activities of the core institution advertiser in achieving the marketing and organizational objectives. For this purpose, the advertiser directs and supports the development of advertising and media space and time. Many other institutions are also involved in the process such as facilitating and control of institutions-agency, research suppliers and the media and government and the competition. The management controls and directs all these activities relating to advertising.

1.2 UNIT OBJECTIVES

- Understand the nature and scope of Advertising
- Analysis the functions of Advertising
- Find the types of Advertising
- Examine the Advertising planning and Decision making

1.3 NATURE AND SCOPE OF ADVERTISING

Before we do an in-depth study foundations of advertising it is necessary to study the nature and scope of advertising. Hence, we have to attempt an analysis of the nature and study of advertising.

1.3.1 Nature of Advertising

The objective of all businesses is to make profits. The object can be achieved only if the product is widely published to the audience – the consumers, channel members and industrial users. Publicity carries an idea to people. It is a general term signifying efforts aimed at creating mass appeal. Publicity is the non-personal stimulation of demand for a product or service by planting commercially significant news about it in a published medium or obtaining favorable presentation of it upon radio or television that is not paid for by the sponsor. On the other hand, advertising denotes a specific attempt to popularize a specific product or service at a certain cost. It is a method of publicity. It is always intentional, openly sponsored by the sponsor and involves certain cost and hence, is paid for. It is a common form of non-personal communication about an organization and its products, idea, services, etc., that is transmitted to a target audience through a mass medium. In simple terms, we can state that it is a commercial idea and purely profit-oriented. Getting your own custom lanyards designed for your business will create brand awareness too. Advertising, as it is generally known, is a paid method of mass communication which is aimed at promoting ideas, goods or services by an identified sponsor. It is also non-personal communication, for it is not delivered by an actual person but only through a media, nor is it addressed to any specific person. Advertising is done by commercial non-commercial organizations but it is mainly referred to

commercial organization, because it is used to help assure the advertiser of a long business life with profitable sales. It is the most economical method of communications of ideas, goods and services because it reaches a large number of people and hence cost per message is low generally. The communication in this method is very speedy, permitting an advertiser to speak to millions of buyers at the same time.

In India advertising is a growing business today and is gaining importance. The host of new products marketed, the expenses and the risks involved in launching them and the cost of personal selling and, of late, the availability of multiple channels for advertising, are some challenges which have placed a heavy responsibility on advertising. Advertising plays an important role in moving the goods from producers to consumers by advising the people to purchase the best out of the variety of products offered for selection. In the west, advertising is viewed as the right of the consumer to know the service available. In India, advertising as a potent and recoganised means of sales promotion was accepted only recently. This delay is attributed to the late industrialization in our country. In India, advertising as a profession is in its infancy. Because of this, fact, there is a tremendous scope for the development of this industry so that advertising may be used productively for the benefits of producers, traders consumers and the country's economy. It has been recognized as an art because of the creative function of advertising very much depends upon the creativity of the individual. The creation of the copy including its message, theme and its layout including caption, illustration etc. is an art on which the success and failure of advertising campaign depend. The individual capability and an instinct for assembling eye catching watch wards are the sum and substance of advertisements.

1.3.2 Scope of Advertising

Scope of advertising, is replete with understanding the various activities which are included in advertising and those which are not included. We shall now analyse these two types of activities.

A. Activities Included in Advertising

Advertising is a form of promotion and a means of non personal mass communication to the existing and prospective customers in order to maximize the company's sales and the profits Italia. The activities included in advertising are:

i) Selection of media with a view to stimulate sales amongst present and prospective consumers. For ex. advertising in newspapers for reaching the rural market is a futile effort.

NOTES

> ***Check your progress***
>
> 1. Functions of advertising may be grouped in to ______
> 2. Informative product Advertising builds up an ______for the demand

ii) Communication with consumers of the product and of the manufacturer. (eg) "Ujala-from Bombay laboratories", gives a compliance to the buyer or prospect that the product might be technically sound.

iii) Maintenance of brand loyalty amongst the consumers. Advertising may be used to reassure buyers that they have made the best purchase, thus building brand loyalty or loyalty to the firm. 'Raymonds the complete man' campaign gives a pride of ownership to the existing customers also.

iv) Increasing support to dealers, distributors, wholesalers and retailers and the sales force. It boosts morale and contributes to the enthusiasm and confidence attitude in the organization.

v) It projects an image in the minds of the people who are customers of the company's products or who are closely related with the company such as shareholders, government, creditors and the general public. Advertising is used to promote the overall image of trust, confidence and respect for an organization. "There is bit of SALT in every bodys life" ad campaign.

B. Activities-Excluded from Advertising

Some activities resembling those with advertising are actually not advertising:

i) Advertisements which are designed to deceive the consumers cannot be said to be an advertising. Apart from ethics, the desire and hope for repeat sales requires a high degree of honesty in advertising.

ii) Advertising is not a game or a toy which the advertiser might play in any way he likes. It requires a mature understanding and should not be aimed to injure the feeling of any person or institution.

iii) Advertising does not include the offering of premiums to stimulate sale of products; the use of exhibitions and demonstrations at fairs, shows and conventions; the use of samples and the so called Publicity activities involving news release and the activities of personal selling forces; the payment of advertising allowances which are not used for advertising; the entertainment of customers, etc. Though these activities are not identified as advertising, they all have some economic objective of stimulating sales.

Thus, the scope of advertising is very wide. Each and every type of activity which stimulates sales by communication through a mass media is included in it and

all other activities which do not perform the communication function mass media cannot be regarded as advertising.

1.4 FUNCTIONS OF ADVERTISING

Advertising aims at fulfilling a variety of different purposes. Depending upon the needs of the particular enterprises provide, a painstaking analysis is made regarding the various factors such as demand potentialities, cost of media etc. The main purpose of every advertising effort is to stimulate, maintain and secure the distribution and consumption of a product resulting in an increase in sales for profits of the concern. Advertising serves every section of the business, society, consumer, producer and the middlemen (agency and salesman). The various functions of advertising may be grouped in two classes (i) Primary functions, and ii) Secondary functions.

1.4.1 Primary Functions

Among primary functions, the following are some of the more important ones:

i. To increase sales

The main function of advertising is to increase the sales of the product of the company by securing greater consumption, by attracting new buyers and even by introducing new uses for a commodity. The main aim of all advertising is to get this end.

ii. Persuasion of dealers

Advertising persuades dealers to stock more and more advertised goods. It makes wider distribution of goods to the farthest corner of the country. Where the product is not in much demand, the advertisers or producers directly contact dealers to stock the goods and to persuade the consumers to buy their goods.

iii. Help to dealers

Advertising not only assists the producer or advertiser, but also helps dealers (Wholesalers and retailers) to sell the advertised goods. Thus wholesalers and retailers are able to clear their shelves resulting in higher profits.

iv. Increase in per-capita sales

Advertising may tend to increase the per capita use of commodity by repeating the desirable features and uses of an article constantly. Advertising is effectively used to increase the per capita consumption by describing new uses of articles that may never have been thought of by general user; new ways of using products already familiar or new scientific discoveries that tell of the new use of a certain product.

v. Receptiveness of new product or model

Advertising earns a name for the producer. If a producer has earned a name as a producer of good quality generally, the producer advertises it as belonging to a group of products known for this indisputable for and of quality.

vi. Insurance for manufacturer's business

The next function of advertising is to create insurance for the manufactuerer's business. Through the advertising of trademarks or brand names, or the general appearance of the products and their packages, public recognition and acceptance are secured. It also protects the manufacturers from competition, as no rules will find it difficult to develop the substitute for the nationally or internationally advertised products. Advertising cultivates brand and company image.

vii. Confidence in quality

By advertising, the producer creates confidence in the minds of the consumer for his products. "Buyer's beware' is the rule of the market where buyer is to choose the product of his choice and he is to tell the quality. It was not always possible for an ordinary consumer to tell whether he was buying gold or tinsel before there were widely advertised products. In case of widely advertised goods, the buyer has every reason to believe because of his past experience that the quality of the goods is the same as advertised by the producer. Thus, advertising creates confidence in the quality of the product.

viii. To eliminate seasonal fluctuations

One of the functions of the advertisement is to eliminate or lessen the seasonal fluctuations mainly for the seasonal products by describing their various uses during off season. For example, by advertising the use of refrigerators all the year round they have been brought home to people.

ix. More business for all-

Competitive advertising of two or more manufacturers in the same field expands market and creates more business for all. It creates demand for the kind of the product and not for a particular brand. For example, a portable typewriter is widely recommended and vigorously suggested. It results that more portable typewriters of different makes are sold.

x. Raising of standard of living

Advertising also deserves credit in raising the standard of living of the consumers by instigating them to use newer and better things at competitive rates. It is only because of advertising that the so called luxuries of yesterday have become the necessity of today and it would have been possible that things enjoyed

by rich people today may become very common to be enjoyed by a common man. For example, T.V. which had been only a dream for a common man, has now become very popular among them, only due to the advertising.

1.4.2 Secondary Functions

In addition to primary functions of advertising discussed above, there are many other functions which have gained importance during the course of time and some of them may assume prime role. Such functions may be classified as "Secondary functions' and have been discussed as follows:

i) To encourage salesmen and lend them moral support

Although a salesman has the prestige of the goods and of the firm behind him, he feels, at times, the need of greater confidence, in himself, his sales message and his product. This is advertising because it supplies the necessary information to supplement his message. Advertisement boosts his morale. This makes it easier for him to sell advertised good, for part of the selling has already been done for him. This, in turn, will increase his remunerations because increased sales volume will give him higher return.

ii) To furnish information

Advertisements supply the necessary information about the product, producer, stockiest and salesmen. Salesmen and dealers are benefited by the use of information given in the advertisement. Many times, the (information's) serve as a check upon erroneous and extravagant claims, The printed words are manufacturer's guarantee.

iii) To impress executives

Advertisements create a feeling among the executives and the administrative staff that they are working in the spotlight and are responsible to the public in a peculiar way. In many ways they become more enthusiastic when they see or read one of the advertisements. They are likely to strive to improve the product, to adopt better packages and styling and give the public value for their money.

iv) To impress factory workers

It creates often a good effect on workers who work in a factory producing advertised goods. They consciously or unconsciously take pride in helping to produce something known far and wide. They feel themselves as part of the big organization and have some of the responsibilities.

v) Feeling of Security

The workers of a concern of well advertised goods feel that their job is permanent and they will have better chances for promotion as the business grows as the advertising earns goodwill for the concern and secures steady work and prosperity.

vi) To secure better employees –

Advertising tends to support the manufacturers' effort to secure and appoint better employees i.e. executives, salesmen and factory workers, because the company gains greater popularity and is identified with the widely known company, as good applicants will want to approach the company for a job. Thus advertising helps the advertiser to choose better employees also.

To sum up, advertising aims at committing the producer for more turnover, educating the consumer, supplementing the salesmen, converting the dealer, to eliminating the competitor, and above all it is a link between the producer and consumer.

Advertising may be classified into the following six categories:

1.5 TYPES OF ADVERTISING

A. Product Advertising
B. Service Advertising
C. Institutional Advertising
D. Public Relations Advertising
E. Public Service Advertising
F. Financial Advertising.

A. Product Advertising

Within the context of the 4 Ps of marketing we have the Product. Be it an FMCG product or an industrial good, we need to understand that advertising plays an important role in promoting the product. Be it at any stage of the product life cycle, every product needs to be communicated for varied reasons to its target customer as to why they ought to go for that product. A product has to be good and should give satisfaction to the needs of the consumer; only then will the advertising objective can be a success. Product or brand knowledge coupled with a clear positioning, derived from a well thought out marketing strategy, is essential to every successful advertising programme. The other elements in good product advertising are packaging, trademark, and such other physical and psychic attributes of the product like taste, colour, texture, aroma, style and design. The saleabilty influence of these product attributes is to be

analyzed before incorporating them in the advertising messages delivered through various advertising media.

Now, product advertising is of 3 types, namely:

Pioneering or Informative advertising: Here an attempt is made to stimulate the primary demand of the product category rather than a specific brand. For example the advertisement Malaysia Tourism, with their TV commercial and the slogan 'Malaysia - Truly Asia' made an indelible mark where pioneering advertisement was concerned. Here the product category is introduced first, educative in intent and appealing to the consumer's rational as well his emotional being. At the introductory stage of the PLC this type of advertising is beneficial. Generating awareness is the main function of advertising here.

Competitive or Persuasive advertising: Here selective demand of a specific product brand is stimulated. By now the product is established in the market and has reached the growth or maturity stage of the PLC, very competitive to market forces. Competitive advertising is again of two types:

1. Direct type, where it seeks to stimulate immediate buying action.
2. Indirect type, here the benefit of the product is emphasized in the anticipation of the consumer's final action of buying.

Retentive or Reminder oriented: The product is now having a firm footing in the market place. Its sales may start to decline at a later point. The buyer must be reminded about the product to sustain his loyalty. It is a soft sell approach where the buyer is judged to continue the usage of the product. The essence here is to keep the brand name in front of the eye of the viewer. Used at both the maturity as well as the declining stage.

Now let us try to understand the types of products and thereby the advertising needs of them. Products can be classified as under:

Products

1 Industrial Products

2 Consumer Products for direct consumption.

- Consumer durables
- Consumer non durables

In the case of consumer advertising the following points should be taken into consideration:

1. Most of them are in competitive field and engaged in advertising.
2. Non-durables are frequently bought.
3. Non-durables are appliances, which serve for a long period of time.
4. Both rational as well as emotional appeals are used.
5. Use of celebrity endorsement is heavy.
6. Major chunk of advertising business.

Whereas the salient points to be remembered in the case of industrial advertising are:

1. Smaller percentage as compared to consumer advertising.
2. Elaborate buying process is involved.
3. Main objectives of this class is to Inform, get Orders, to stimulate queries, to empanel the marketer's name on the buyer's panel of sources.
4. Trade journals and lay press are the most sought after media vehicles.
5. Seeks to build the corporate image.
6. Rational appeal is used here.

B. Service Advertising

Services are activities, benefits or satisfactions offered for sale. They are intangible, inseparable, variable and perishable. They therefore require strict quality control, supplier credibility and adaptability. Personalized services like laundry, hair-grooming, beauty salon, automotive repairs, when advertised, place greater emphasis on the institution offering it and the advantages in patronising them. They may talk about congenial environment, quickness and promptness of service, economy, exclusiveness, status significance, etc. Luxury hotels and airlines, when advertising their services, attach greater importance to service with a smile, courtesy, thoughtfulness, and claim that they offer a home away from home. Banks also advertise the services they offer to their clientele, like the Automatic teller system, personalized banking, computer banking, etc. Services like physical goods also use channels to make their output available and accessible, e.g., location of a hospital to cater a particular catchment area. Promotion of services also emphasis the locational aspects.

C. Institutional Advertising or Corporate Advertising

In this form of advertising an institution presents its own story to build up an image of itself in the minds of the public. It is more like a public relations approach advertising. It could talk about how it is associating with a cause, like the Star TV Network putting the cause for girl child education in the forefront. It may emphasize on its contribution to the society and it could also talk about the mission of the organization. That way it could show all the products of the organization, like the Hero Honda's "Desh Ki Dhadkan", where they show all the brands of the organization. Sahara by saluting the Indian cricket captains is associating with cricket.

The ad copy could be focused at the general public or may be directed towards specific group like its shareholders. Take the example of the ad of Hindustan Petroleum here. Now the advertisement talks about powering India since 25 years, especially where locomotives are concerned. Hence, focusing on the fact that they power the Indian Railways.

So it is building a favourable image for itself in the minds of the public. It is more of telling the public as to how socially responsible they are. So their overall objectives are in tune with social issues. So the basis is to create goodwill in the minds of its internal as well as external customers. So the objectives of this type of advertising are:

- To make the company known
- To make its products / services known.
- To make its achievements known.
- To make its values known.
- To make socio-political / economic / moral statements.

To give an identity to a faceless organization is what institutional advertising does. When designing a corporate ad we must pay heed to the type of response we want. It purely asks for an approval and not any action from the target audience.

D. Public Relations Advertising

It is a part of institutional advertising. The most widely accepted definition of public relations is 'the deliberate, planned and sustained effort to establish and maintain mutual understanding between and organization and its public'. PR is an extended arm of the management and tends to flow over the whole of business and its management. Public Relations Advertising represents the management and communicates the policies, problems and performances to the public. PR Advertising should therefore be objective. Public Relations Advertising is effective when the organization practices what it preaches PR means 90 p.c doing and 10p.c talking about it.

It may be appreciated that many areas of institutional and PR Advertising overlap. Institutional Advertising definitely has a PR content but is more indirect and philosophic. PR Advertising on the other hand can be down-to-earth, and is a communication with any of the public with which the organisation interacts.

E. Public Service Advertising

Public Service Advertising is done as a part of social responsibility by the advertising agencies or business organization or government or social service institutions. It seeks to promote important social issues. It is created to promote greater awareness of public causes. The examples of such social issues which have been promoted are;

a) Handicapped children and their help,

b) Female foeticide,

c) National integration,

d) Drug addiction,

e) blood donation,

f) Prevailing system of education.

> *Check your progress*
>
> 3. Public service Advertising is done as a part ________

It is essential to focus the message at a target group,and also know what motivates this target group. A family planning message in the usual format does not interest the farmer because to him more children means more hands to help him at work.

In Public Service Advertising, there should be a thorough understanding of the target group, get the message entrenched through appropriately working as the delivery. The three rules of presentation are: keep messages single minded, keep them dramatic and keep them short. The effectiveness of any Public Service Advertising can be assessed from two angles. Unless it has a sponsor and a disciplined plan for release, it can prove ineffective.

Public Service Advertising is also known by various other names:

- Public Awareness Advertising
- Social Service Advertising
- Social Awareness (SA) Advertising.

"Leo Burnett, "one of world's top 10 advertising agencies, while making a presentation at the 15th Asian Advertising Congress in 1986 at Bangkok said:

(1) By its very nature, marketing of causes, professionally called Public Service Advertising is emotional since it touches people's deepest fears, anxieties, and values.

(2) Most PSA (Public Service Advertising) designed today lacks impact. Perhaps the reason for this is human nature. People may be appalled by images of starving children but very few are willing to do something about it. Another reason is that principles of marketing are seldom applied to promoting causes. One difficulty is to define the target audience sharply. Usually, the message requires people to change the existing behavioural pattern drastically. Public Service Advertising may promote awareness, but action on social problems needs much more than advertising. The state needs to tackle the problems with the resources at its command, the social structure has to be radically changed, and laws put into effect.

(3) We cannot always be provocative in communication. We have to see what we want to achieve. While trying to change personal habits like smoking, drugs, etc. The message can be hard-hitting, but hot while dealing with riots.

F. Financial Advertising

It is an advertising activity which is undertaken by companies, firms, or organization involved in financial markets, such as Unit Trusts, Assurance, Building Societies, or Banks. Financial Advertising on Satellite Television (ST), It is a financial advertising which accompanies financial programmes since the viewers of such programmes form the target audience. Financial programmes are niche audience directed programmes, and are not dependent on TRP ratings. The message becomes focused. Middle class, upper-income bracket people, view satellite channels and these are the people who invest. The satellite channels and financial advertising have the go well with each other since the viewership fits the target audience of financial advertising. The influences are felt in securities buying the financial consultant, brokers, sub-brokers and merchant bankers. Business-based programmes are watched by this influence. It reaches NRI's and with NRI reservation the satellite channel proves to be an effective medium for financial advertising. Satellite channels offer special packages for financial advertisers. JAIN TV claims that 30 per cent of its ads revenue comes from financial programmes. Besides, certainly some financial advertising requires more than 30-seconds and corporate films lasting 10 minutes are the way out. They may prove expensive as per tariff card rate, and so

special package is offered. JAIN also offers to make ad films for advertisers. The media used for financial advertising is normally the print. The visuals used are graphics of turnover and financial data. Appropriate headlines should be framed in order to catch attention. There are 2 types of advertisements in this context. One which focuses on the bigger picture and the other on the nitty gritty of let's say an issue. Copy is purely on the gains and financial aspects of the company. Headline: A quality product always ensures sweet returns

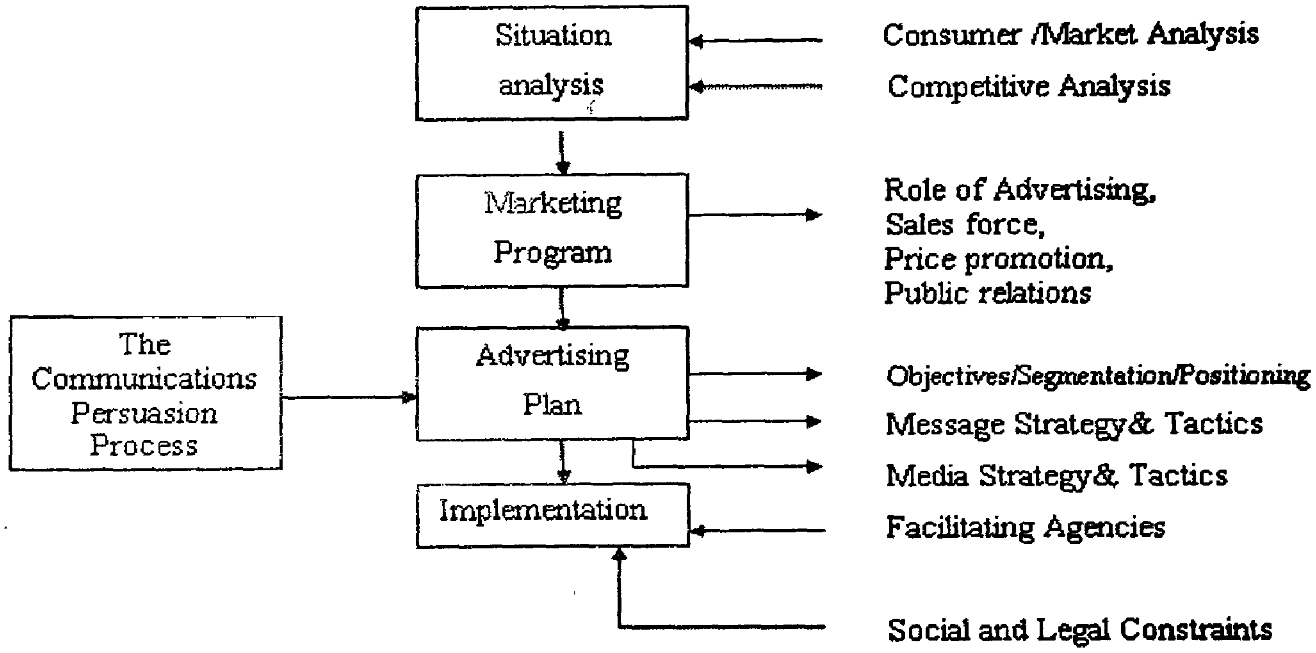
1.6 ADVERTISING PLANNING & DECISION MAKING

The major activities of advertising management are planning and decision making. In most instances, the advertising or brand manager will be involved in the development, implementation, and overall management of advertising plan. The development of an advertising plan essentially requires the generation and specification of alternatives. The alternatives can be various levels of expenditure, different kinds of objectives or strategy possibilities, and numerous kinds of options associated with copy creation and media choices. The essence of planning is thus to find out what the feasible alternatives are and reduce them to a set on which decisions can be made. Decision making involves choosing from among the alternatives. A complete advertising plan reflects the results of the planning and decision- making process and the decisions that have been made in a particular product- market situation.

1.6.1 Framework for advertising planning and decision making

Internally, situation analysis, the marketing programme, and the advertising plan are key considerations. As suggested in the diagram, the three legs of advertising planning concern: (1) objective setting and target market identification, 2) message strategy and tactics, and 3) media strategy and tactics. The advertising plan should flow from the overall marketing plan which should be developed following a situation analysis of the organization's particular situation. Situational analysis implies research and research is vital to planning and decision making. Once developed and advertising plan is implemented it becomes an advertising campaign, carried out in the context of social, legal, and global factors and with the aid of various types of facilitation agencies.

A framework for Advertising Planning and Decision-Making



1.6.1.1 Marketing Strategy and Situation Analysis

The planning and decision-making process begins with a thorough analysis of the situation the advertiser faces and the development of marketing strategy. Marketing strategy includes the long-run vision and objectives of the company as well as articulation of the specific strategic position it will aim to occupy in the marketplace in the years ahead. The company's strategic position might be either one in which it is the low price leader, seeking growth through offering prices that are consistently lower than competitors, or one in which it focuses on offering differentiated products that offer high quality and reliability. The development of marketing strategy thus should begin with situation analysis, and a comprehensive examination and analysis of all important external and internal factors operation in a particular situation. This includes assessing the strengths, weakness, threats, and opportunities, so-called "SWOT analysis," of the company involved.

Situation analysis invariably involves research of some kind. For advertising planning and decision making, the principal thrust of research efforts is on market analysis or, more broadly, the analysis of consumer motivation and behaviour with respect to the product, service, idea or object ot be advertised. Situation analysis can be based on conventional wisdom, managerial experience, or the creative team's inherent imaginative abilities, but with the current market and environmental conditions what the situation is now can only be adequately assessed by research. Such research flows from the company and its agency's research efforts, Secondary data sources, and/or is purchased form research suppliers.

i. Consumer and Market Analysis

A situation analysis often begins by looking at the aggregate market for the product, service, or cause being advertised: the size of the market, its growth rate, seasonality, geographical distribution; the possible existence of different segments; and trends in all of these aggregate market characteristics. It is vitally important, however, that the reasons for these aggregate statistics and market trends be understood. The analyst needs to examine and understand the attitudes and behaviours of consumers as individuals.

ii. Competitive Analysis

Advertising planning and decision making are heavily affected by competition and the competitive situation the advertiser faces. Competition is such a pervasive factor that it will process the various topics treated in much of the balance of this book. A type of market structure analysis that involves the development of perceptual maps of a market, for example, attempts to locate the relative perceptual positions of competitive brands. Situation analysis should normally include an analysis of what current share the brand now has (if it is an established brand), what shares its competitors have, trends in these trends, what share of a market is possible for the brand, and from which competitors and increase in share will come. The planner also has to be aware of the relative strengths and weaknesses financial, production, and marketing-of the different competing companies, and the history of competitive moves and objectives in the product category.

Opportunities for marketing and advertising can also be uncovered using competitive analysis. Is there a bundle of attributes that a consumer segment desires that the some competitor has not yet targeted against? Much research shows that companies that are the first to launch brands that meet the unmet needs often have a "pioneering advantage" or "first-mover advantage", that later competing entry find difficult to fight.

iii. The marketing plan

The marketing plan includes planning, implementation, and control functions for the total organization or a particular decision-making unit or product line. The marketing plan will include a statement of marketing objectives and will spell out particular strategies and tactics to reach those objectives. The marketing objectives should identify the segments to be served by the organization and how it is going to serve them. The needs and wants of consumers on which the firm will concentrate, such as the needs of working men and women for easily prepared meals, are identified and analyzed in a marketing plan. The effectiveness of the various ele-

ments of the marketing mix with respect to the problems or opportunities should be the factor that determines what share each receives of the total marketing budget. Once a budgetary allocation has been decided, integration of the elements of both the marketing mix and the communication mix is vital to the development of successful marketing and advertising plans. Integrated marketing Communications focus on their issues and discuss complementary communications tools such as direct marketing, sales promotion and other action-oriented advertising, public relations, etc.,

Topics and Questions involved in situation analysis

A) Nature of demand

1. How do buyers (consumer and industrial) currently go about buying existing products or services? Describe the main types of behaviour patterns.
   a. Number of stores shopped or industrial sources considered
   b. Degree of overt information seeking
   c. Degree of brand awareness and loyalty
   d. Location of product category decision-home or point of sale
   e. Location of brand decision-home or point of sale
   f. Sources of product information and current awareness and knowledge levels
   g. Who makes the purchase-male, female, adult, child purchasing agent, buying committee, and so on?
   h. Who influences the decision maker?
   i. Individual or group decision(computer versus candy bar)
   j. Duration of the decision process (repeat, infrequent, or new purchase situation)
   k. Buyer's interest, personal involvement, or excitement regarding the purchase (hairpins versus trip to Caribbean)
   l. Risk or uncertainly of negative purchase outcome- high, medium, or low (specialized machinery versus hacksaw blades, pencils versus hair coloring)
   m. Functional versus psychological considerations(electric drill versus new dress)
   n. Time of consumption(gum versus dining room furniture)

Check your progress

4. The purpose of Advertising Management is to develop, implement, and control an ________

2. Can the market be meaningfully segmented or broken into several homogeneous groups with respect to "what they want" and "how they buy"?

Criteria:

a. Age
b. Family life cycle
c. Geographic location
d. Heavy versus light users
e. Nature of the buying process
f. Product usage

B) ***Extent of demand***

1. What is the size of the market (units and sales value) now, and what will the future hold?
2. What are the current market shares, and what are the selective demand trends (units and sales value)
3. Is it best to analyze the market on an aggregate or on segmented bases?

C) ***Nature of competition***

1. What is the present and future structure of competition?
   a. Number of competitor (10 versus 4,000)
   b. Market shares
   c. Financial resources
   d. Marketing resources and skills
   e. Production resources and skills
2. What are the current marketing programmes of established competitors.Why are they successful or unsuccessful?
3. Is there an opportunity for another competitor?
4. What are the anticipated retaliatory moves of competitors? Can they neutralize different marketing programs we might develop?

D) Environmental climate

1. What are the relevant social, political, economic, and technological trends?
2. How do you evaluate these trends? Do they represent opportunities or problems?

E) ***Stage of product life cycle***

1. In what stage of the life cycle is the product category?

a. What is the chronological age of the product category? (Younger more favorable than older?)

b. What is the state of the consumer's knowledge of the product category?

2. What market characteristics support your stage-of-life-cycle evaluation?

F) Cost structure of the Industry

What is the amount and composition of the marginal or additional cost of supplying increased output?

G) Skills of the firm

1. Do we have the skills and experience to perform the functions necessary to be in the business?
   a. Marketing skills
   b. Production skills
   c. Management skills
   d. Financial skills
   e. R&D skills
2. How do our skills compare with those of competitors?
   a. Production fit
   b. Marketing fit
   c. And so on

H) Financial resources of the firm

1. Do we have the funds to support an effective marketing program?
2. Where are the funds coming from, and when will they be available?

The communication and persuasion process

Advertising communication system

The Advertising communication always involves a perception process and four of the elements shown in the model

a. the source

b. a message

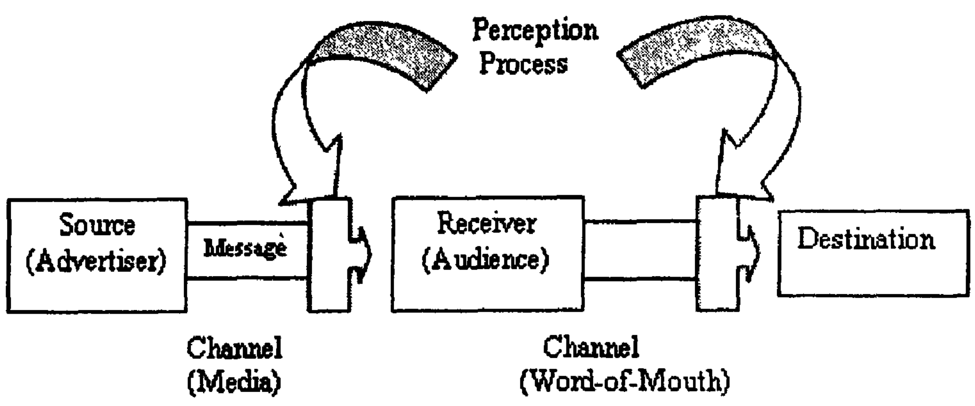
c. a communication channel, and

d. receiver

In addition, the receiver will sometimes become a source of information be

talking to friends or associates. This type of communication is termed word-of-mouth communication (the emergence of viral marketing refer appendix), and it involves social interactions between two or more people and the important ideas of group influence and the diffusion of information

A Model of Advertising Communication System



The advertising message can have a variety of effects upon the receiver. It can create awareness Communicate information about attributes and benefits, Develop of change an image or personality Associate a brand with feelings and emotions create group norms, Precipitate behaviour.

The Advertising Exposure Model

This model of the communication and persuasion process, illustrated in the figure shows the various processes that occur after consumers are exposed to an advertisement.

1.6.1.2 The role of advertising within the marketing program

Advertising planning and decision making is taking place in the context of and overall marketing program. There are several marketing tools that can be used to help and the organization achieves its marketing objectives. Its product or services can be developed or refined. A distribution network can help match an organization's output with its clientele. Pricing strategy is an other marketing decision variable. The most appropriate way to improve the sales of a brand may not involve promotion or advertising at all, but may involve more extensive distribution, better relationships with trade, a lower price, or simply better product quality. A brand manager needs to spend considerable time pinpointing the exact source of a brand's poor sales before deciding that the core problem is inadequate or poor

advertising or promotion. For instance, if research data indicate that consumers are trying the brand but are not repurchasing, it may well be that the firm's advertising is successful (since consumers are trying the brand) but that the brand's product quality needs attention (since people who try the brand do not repurchase it). The marketing plan thus should be based on the specific problems or opportunities uncovered for the brand by the kind of situation analysis.

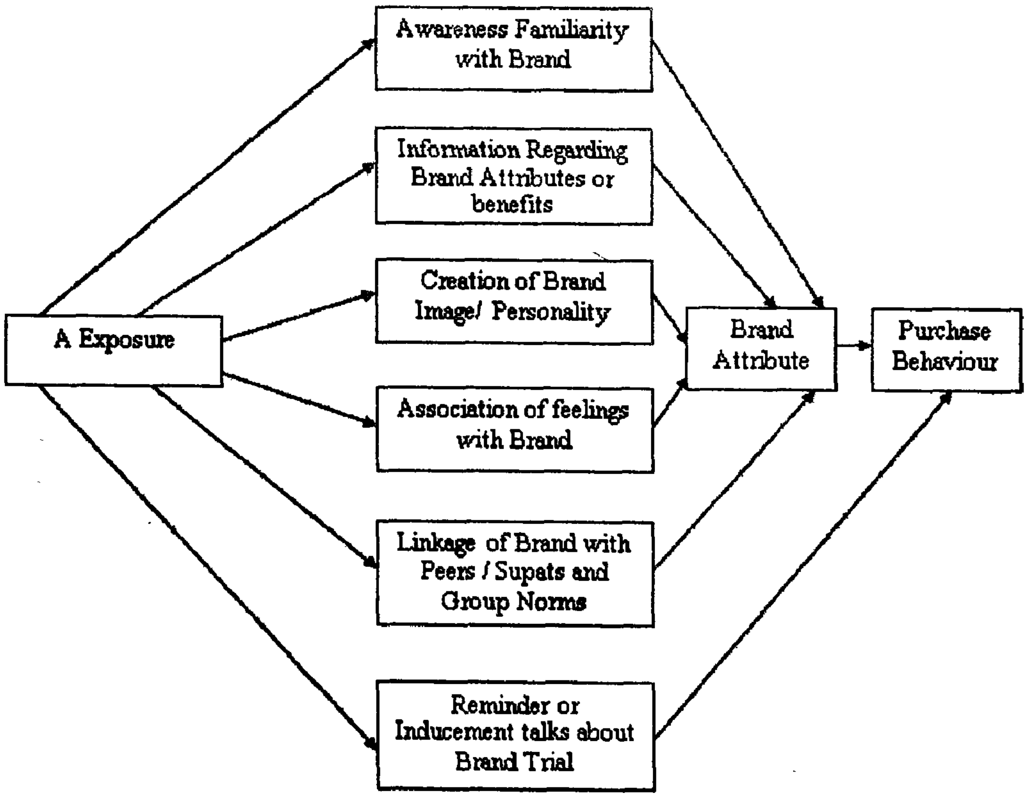
The role of advertising within the "communications mix" once it has been determined that a key problem or opportunity for the brand involves its communication with consumers, it should not be immediately concluded that more money needs to be spent on advertising. Advertising is only one part of the communications mix: a firm can also communicate with its consumers through the sales force, through publicity or public relations, and through various consumer and trade promotions. Within this mix, advertising has various strengths and weakness. Thus, direct marketing may be needed to target certain prospects with a more customized message, provide them with detailed information, and induce them to act.

1.6.1.3. The advertising plan

Advertising plan should only be developed once the overall marketing plan has been created and the role of advertising within it has been assessed. Advertising planning and decision making focus on three crucial tasks: objectives and target selection, message strategy and tactics, and media strategy and tactics.

> ***Check your progress***
>
> 5. Advertising communication always involves a ______ process

A Model of the Communication/Persuasion Process



All the advertising plan will, at a minimum, reflect planning, decisions, and commitments concerning each of these three major components. The broad purpose of advertising management is to develop, implement, and control an advertising plan.

i. Objectives and Target selection

The pivotal aspect of any management plan is the development of operational objective one that provides useful criteria for decision making, generates standards to measure performance, and serves as a meaningful communication device. It is possible to develop objectives in terms of sales goals. Such goals are desirable because they appear to provide a readily accessible and absolute indication of advertising performance. However, because other marketing variables and competitors actins can have an important impact on sales, it is often necessary to establish objectives in terms of intervening variables such as brand awareness, image, and attitude. To justify the use of intervening variables, a link must be established between them and subsequent sales.

An important part of the objective is the development of a precise, disciplined description of the target audience. It is often tempting to direct advertising at a broad audience; the implicit argument is that everyone is a potential customer. The risk is that a campaign directed at too wide an audience will have to have such a broad appeal that it will be of little interest to anyone and thus be ineffective. It is best to consider directing the advertising to more selected groups for which it is easier to develop relevant, stimulating copy.

Response Hierarchy Models

Stages	AIDA Model	Hierarchy of Effects Model	Innovation-Adoption Model	Communications Model
Cognitive Stage	Attention	Awareness ↓ Knowledge	Awareness	Awareness ↓ Reception ↓ Cognitive Response
Affective Stage	Interest ↓ Desire	Liking ↓ Preference ↓ Connection	Interest ↓ Evolution	Attitude ↓ Intention
Behavior Stage	Action	Purchase	Trail ↓ Adoption	Behavior

i. Message Strategy and Tactics

The actual development of an advertising campaign involves several distinct steps. First, the advertising manager must decide what the advertising is meant to communicate-by way of benefit, feelings, brand personality, or action content of the message as strategy. Once the content of the campaign has been decided, decisions must be made on the best and most effective ways to communicate that content. These implementable decisions, such as the choice of spokesperson, the use of humor or fear or other tones, and the selection of particular copy, visuals and layout are called message tactics.

ii. Media strategy and Tactics

Whereas message strategy generally concerns decisions about how much to allocate to creating and testing advertising copy, media strategy concerns decisions on how many rupees to spend on an advertising campaign. Media tactics comprise the decisions about which specific media (television, radio, magazines, etc) or media vehicles (Sun T.V, Kottesswaran, Reader's Digest,etc.)to use.

a) Media strategy

The advertising budget decision is closely tied in with the objectives and target selection decisions. Although there are many rules of thumb to decide how much more spend on advertising, the soundest rules involve beginning with detailed specification of what a corporation is attempting to accomplish with advertising, and the resources necessary. It is only when the job to be done is well specified that the amount and nature of the effort-the amount of money to be invested in advertising be really determined.

b) Media Tactics

Media Tactics discuss criteria that apply in the allocation of an advertising budget across media types and within each media type. The media-allocation and media planning represent one of the few areas in advertising in which the use of mathematical techniques and computer programs is well accepted. These like the type of vehicle audience and how well it matches the target audience of the campaign, the ability of the vehicle to enhance the advertising impact, by creating a compatible mood or setting etc., is to be considered.The type and nature of research information required to support media models differs somewhat from the perspectives of research in the case of copy decisions. A media planner is interested in questions concerning the reach and frequency of media alternatives, the effects of various vehicles, and matters involving learning and decay rates over the life of a campaign. Media research is thus a special topic that is treated, along with the sources of media data.

1.6.1.4 Implementation

i. Facilitating Agencies

ii. Social, Legal and Global Factors

1.7 BENEFITS OF ADVERTISEMENT

i. Benefits to Manufacturers

ii. Benefits to Wholesalers and Retailers

iii. Benefits to Consumers

iv. Benefits to Salesmen

v. Benefits to Community or Society

1.8 SUMMARY

This chapter discusses the meaning and definition, Nature and scope of Advertising, functions of Advertising, types of Advertising, Advertising planning and Decision making, marketing strategy and situation analysis, consumer and market analysis, benefits of Advertisement and the like. Among the types of advertisement, PR is an extended arm of management. Public service advertisement creates greater awareness of public causes.

1.9 ANSWER TO CHECK YOUR PROGRESS

1. primary and secondary
2. Initial demand .
3. Social Responsibility
4. advertisement plan
5. perception

1.10 MODEL QUESTIONS

1. Discuss the nature and scope of advertising in India.
2. What are the primary and secondary functions of Advertising?
3. Clarify the types of advertising.
4. Discuss the frame work of advertising and Decision – Making
5. Discuss the various models of advertising communication system.

6. Advertising is only a part of " Communication Mix" – Disuses
7. Does the customer pay the cost of advertising? – Disuses
8. Discuss the Significance of curtailing competitive advertising expenditure.
9. "Half of the money spent on advertising is a waste" What are the dimensions in waste of advertising?
10. Advertising spoils the culture of the society" – evaluate.
11. What are the various forms of the unethical advertising?
12. Discuss the legal protection offered by various laws of government of India.

UNIT 2

ADVERTISING AND THE ECONOMY

Structure

2.1 Introduction
2.2 Unit objectives
2.3 Does the customer pay the cost of Advertising?
2.4 Limiting Competitive Advertising Expenditure
2.5 Advertising and the Creation of Monopolies
2.6 Wastes in Advertising
2.7 Social Aspects of Advertising
2.8 Advertising and Ethics
2.9 Advertising and Society
2.10 Economic Effects of Advertising
2.11 Summary
2.12 Answer to check your progress
2.13 Model questions

2.1 INTRODUCTION

In recent times, the word 'Advertising' has become a fiercely mooted topic. Advertising has positive as well as negative, social and economic impacts on our society. Economics makes assumptions about a human being's rational consumer behavior. He is supposed to choose his products intelligently, weighting all pros and cons. However, his buying behaviour has psychological dimensions as well. He is exposed to the external forces which make him choose one product in place of another. Advertising, an external influence, if used rightly and ethically, facilitates the consumer's choice of the right product out of several available, keeping in mind his needs and resources. Advertising thus sustains competitive activity which puts on the market several products for one and the same need; and hence a choice becomes neces-

sary. Advertising brings out cogently and convincingly the merits of products. It kindles new hopes and desires in the consumer, who then strive hard to earn more, and improve the purchasing power. It results in orders for the manufacturing sector, which has an employed work force that can now be increased. More money comes in the hands of the employed work force that can now be increased. More money comes in the hands of the salaried class which, in turn, results in greater purchasing power. Advertising thus gives a fillip to economic activity and causes increased demand. Factories then expand their output to meet this increased demand, which brings about economies of scale and consequent lower unit costs. Larger markets are tapped, and more intensive distribution is resorted to. In a way good advertising is a service. It helps the economy to grow, and is, therefore, a productive force.

2.2 UNIT OBJECTIVES

- Describe the advertising and the economy activity
- To find social aspects of advertising
- Analysis the advertising and ethics

Examine processing a consumer complaint

2.3 DOES THE CUSTOMER PAY THE COST OF ADVERTISING?

It has often been said that the advertiser passes on the cost of advertising to the consumer. The advertisement cost does get reflected in the selling price. Whether the consumer pays for it or not depends upon production and selling costs. Let us, therefore, study the effects of advertising on these tow cost components.

Effects of Advertising on Production Costs

Every manufacturing unit has an optimum production, which determines whether the advertising increases or decreases the cost of production. Imagine a unit, having one machine in a room which is operated by one man to produce 2,000 units per month. The total production costs, inclusive of rent, wages, and raw materials amount to Rs. 1,000. The monthly demand is only for 1,000 units. In other words, to sell 1,000 units, the spends Rs. 1,000. In this cost of per unit is Re.1. However, the same factory can make an additional 1,000 units at a marginal cost of Rs. 200 being the cost of the extra inputs that

would be required. Thus, the production cost of 2,000 units is Rs. 1,200 only (Rs.1,000 + Rs.200). Now, as there is no demand for the extra 1,000 units, the factory decides to generate a demand for them by advertising the product. The crucial question is: How much can the factory afford to spend on these additional 1,000 units per month. The factory has a savings in costs of Rs.800, within which it can operate. If the selling costs of extra 1,000 units is less than Rs.800 per month the advertising contributes to current profits. If the cost is more than Rs.800, it can be either treated as investment for anticipated profits or is an extra burden.

Here if the factory spends less than Rs.800 per month, the benefit can be passed on to the buyer.Suppose the advertisement cost is Rs.200 per month, and producer sells 2,000 units per month (he sells the extra 1,000 units). The cost sheet presents the following picture:

Total cost of producing 1,000 units	-	Rs. 1,000
Cost per unit	-	1.00
Cost of producing 2,000 units	-	1,200
Advertising Cost	-	200
Total cost of producing 2,000 units	-	1,400
Cost per unit Rs. 1,400 / 2000	-	0.70 P
Total cost reduction (Re. 1-70 P.)	-	0.30 P

The producer can retain this 30 P. to take advantage of the patents or his competitive standing. But he has also the option to pass on the full saving or part of it to the buyer, if he faces direct competition from similar products, or if he feels that the lower prices will expand his market. So, whether advertising benefits the customers when there are lower costs depends upon the producer's choice. Advertising is not at all directly concerned with production costs; but it has significant indirect impact on production costs. By boosting up the demand it provides an incentive for higher production, with a possibility of the economies of scale. Many a time advertising lowers the overhead costs of production by spreading the demand.

To sum, up, we may say that advertising does play a role in lowering production costs by encouraging large-scale production, and that this cost reduction is often reflected in a lower price.

Effect of Advertising on distribution Costs

The total cost for any product is made up of the cost of production and the cost of selling and distribution. Advertising is a part of selling and distribution costs. The costs of production and the costs of distribution show a different trend over a period of time. Though production costs increases, they proportionately go down as a percentage of the total cost. In other words, production costs increase at a lower rate than the increase in the distribution costs. This is natural in view of the improved technology which has streamlined production. The costs of distribution have been increasing considerably over the years. This is a natural corollary of increased competition. However, increased advertising costs may not lead to a proportionate increase in distribution cuts down the expenditure on personal selling. Generally speaking, however, it may be said that advertising expenditure increases the overall distribution costs.

Effect of Advertising of Consumer Price

Shri B.S.Rathor in his book, makes the following critical analysis of this issue.

Does heavy advertising expenditure raise consumer prices? The question is superficially, a compelling one. The answer is that, in some case, it does; in other cases it does not. The "logic" behind this answer is simple. It involves what may be called the stacking-up concept of costs. The view is often held that all elements of production costs and marketing costs must be summed up and covered (or recovered) in the final selling price. All these costs accumulate in this vertical or "stacking-up" sense, and we end up by paying for each layer of the stack, as it were. The cost of advertising is seen as simply another element in the stack, and its elimination is viewed as tantamount to price relief for us all. We should note that this argument need not be applied only to the individual advertisement or the advertising campaign but to any promotional effort- trading stamps, etc., included. But in spite of the seeming simplicity and clarity of the logic of this criticism, a categorical statement that advertising raises consumer prices is wrong.

Advertising may result in higher process if it is ineffective, or if it does not result in an increased sales volume, even though market saturation has not yet developed. We have three instances in which advertising may increase consumer process. [the critic who claims that advertising raises consumer process presumes a constant (or increasing) unit costs of manufacture]. The three instances are:

Check your progress

1. Effects of advertising ______ cost, ______ cost, and ______ price.
2. Advertising has become a ______ monopolies in the private and public sections.

(a) *When market Saturation Exists*: When no amount of encouragement will entice new-buyers to try a particular product or service that is, when market saturation occurs then a battle between competing firms with a not-to-be outspent attitude clearly represents the economic waste. This stand-off situation may result in losses to the battling firms or in higher process to final consumers.

b) *When decreasing Returns to Scale are encountered:* In this instance, advertising may increase the sales volume, but it may not produce a lower unit cost of manufacture. When the cost of manufacture increase with increase in the sales volume (called decreasing returns to scale), further advertising expenditure must accumulate in the vertical sense.

c) *When the Advertising itself is ineffective:* Finally, advertising may result in higher process if it is simply ineffective, if it does not result in an increased sales volume, even though market saturation has not yet developed.

These are the three instances in which advertising can increase consumer process: but as long as a market is expandable (unsaturated), as long as lower manufacturing costs per unit are possible, and as long as the advertising produces (or helps to produce) an increased sales volume, it is possible to lower unit costs. It is possible then to achieve lower consumer process.

More often than not, however there is a demand that competitive advertising expenditure should be restricted within reasonable limits.

2.4 LIMITING COMPETITIVE ADVERTISING EXPENDITURE

The total advertising expenditure in absolute terms and as a percentage of the GNP has shown an increase over the years. There is feeling that is one of the factors which is responsible for price rise, and so there should be a framework within which advertising expenditure may be restricted with a view to reducing process. There is justification for higher advertising expenditure due to increased competition, the development of an impressive array of such new products as consumer electronics gadgetry, polyester, moulded luggage, scattered geographical markets at the national level. These call for increased advertisement expenditure.

If, however, competitors agree to cut down on their advertisement expenditure, the advertiser would also like to bring his budget down. It has been suggested that there should be a ceiling on advertising expenditure in terms of money value or in terms of the space and time bought in the media. Or else we may have a zoning system under which the advertiser enjoys the freedom of unlimited advertising in a particular zone. All, however, agree that this is a matter of mutual faith and trust, rather than any legislation. There are many problems, for example: who will decide the level of competitive advertising expenditure? On what basis, and for what period? These problems are so formidable that any move to limit competitive advertising expenditure would be scuttled.

2.5 ADVERTISING AND THE CREATION OF MONOPOLIES

The term monopoly denotes a complete control of the market by one organization. As advertising aims at increasing the demand for a particular brand and establishing a brand image, it first separates and then isolates its market from the total market by creating a separate and distinct personality for its brand. Advertising has become a potent tool for creating and strengthening monopolies in the private and public sectors

How does advertising build a monopoly? Well-planned and effective advertisement can make you a market leader exercising not less than 60 p.c of market share. It is because your brand is preferred and this brand preference has been built by advertising. In India, Colgate Dental Cream enjoyed a near monopoly situation in the toothpaste market.

In the soap market also, a few firms operate as near monopolies (E.g., P & G, HILL, Godrej etc.) The brand preference is so strong that competitors do not like to enter into this business. This monopoly created by an advertised brand name is a force to reckon with.

But, however, powerful the monopoly is, it is not perpetual. It has to break. Colgate has been threatened by Pepsodent, Close-up and Vicco. Many new brands of soaps have registered their presence. The reason is this, there is no monopoly over ideas. Similar products do turn out and break the monopoly. Similarly, there is no monopoly over the media. Hence there cannot be absolute monopoly through advertising. Market followers have now a certain number of strategies available to challenge the market leader. In a genuinely free market, the monopoly built through advertising can be broken.

2.6 WASTE IN ADVERTISING

Every waste brings down the productivity of advertising. It makes advertising less effective, and sometimes even totally useless. Some of the important reasons that are often responsible for such waste are:

i) Wrong targeting;

ii) Wrong direction, due to media planning;

iii) Wrong time

iv) Wrong policy;

v) Poor copy;

vi) Wrong space.

i. ***Wrong Targeting***: When the target audience has not been properly identified, advertising messages are addressed to other than prospects. Right targeting demands right segmentation, choosing a right market coverage strategy, and right product positioning.

ii. ***Wrong direction:*** But merely identification of the right target is not enough. The media selected must carry the message to the target audience. Wrong media planning leads to the delivery of the message to wrong targets.

iii. ***Wrong time chosen for advertising:*** A travel plan to a hill-resort must be advertised in summer to generate maximum response. If we do it in the off-season there would be wastage of advertising expenditure

iv. ***Wrong policy:*** If there is no-ordination amongst the participants in the organization, the advertisement may fail. Imagine a customer demanding an advertised detergent but not getting it across the counter because the organization has lagged behind in distribution.

v. ***Poor Copy:*** A poorly designed and drafted copy results in total waste. Though direct responsibility for a poor copy is that of the copywriter and the advertiser also deserves blame because he did not liaise properly with the advertising team. Perhaps the brief was faulty. Perhaps there was no market research; perhaps there was hasty approval.

vi. ***Wrong space:*** Outdoor advertising must be displayed at the right site, or else would result in wasteful expenditure.

For advertising to stop being wasteful and to have some utility to consumers, it must fulfill the following conditions:

1. It must provide accurate and verifiable information about the uses and benefits of the product or service advertised.
2. It must give the exact maximum price of the product (inclusive of all taxes).
3. It should not be unethical.
4. The information provided must enable consumers to make informed choices or decisions in the market place.
5. Advertising must assure consumers of satisfactory quality and service at a fair price.
6. Advertising must respect the social and cultural values of the community.

2.7 SOCIAL ASPECTS OF ADVERTISING

Advertising is a very powerful institution and has been the target of considerable criticism regarding its social and economic impact. The criticism of advertising concerns the specific techniques and methods used as well as its effect on societal values, tastes, lifestyles, and behavior. Critics argue that advertising is deceptive and untruthful; that it is often offensive, irritating, or in poor taste; and that it exploits certain groups, such as children. Many people believe advertising should be informative only and advertisers should not use subjective claims, puffery, embellishment, or persuasive techniques.

2.7.1 Advertising and Cultural Values

Culture is the most fundamental determinant of a person's wants and behaviour. Whereas lower creatures are largely governed by instinct, human behaviour is largely learned. The child growing up in a society learns a basic set of values, perceptions, preferences, and behaviours through a process of socialization, involving the family and other key institution. The child growing up in the United States is exposed to the following cultural values: achievement and success, activity, efficiency and practically, progress, material comport, individualism, freedom, external comfort, humanitarianism and youthfulness. Culture shapes our attitudes to products. These cultural values distinguish one social group from another. Each culture contains smaller groups of sub-cultures that provide more specific identification and socialization for its members.

When we in India expect advertising to promote socially oriented objectives, such as the discontinuance of smoking, family planning, physical fit-

NOTES

> ***Check your progress***
> 3. Waste in advertising brings down the ________ of advertising.
> 4. Culture is the most ________ of a person's wants and behaviour

ness, the elimination of drug abuse, prohibition of alcohol, we demand that advertising should respond to our cultural values. Ad copy which is not consistent with our cultural values is said to be in bad taste. It is difficult to define bad taste; it would be impossible to legislate against it. Good taste is what you and I and very few others possess. Yet there are commercial uses of mass media which are repugnant to the majority concept of good taste. To some extent, attempt to regulate itself to insure against such abuse. Each of the three components of the advertising industry – sponsor (client) agency, and media – has established the means by which standards of taste may be controlled. Sponsors may be regulated by a company code of ethics.

Sometimes we say that advertising corrodes the moral fabric of society by being in bad taste only because of the phenomenon of imperfect segmentation in the mass communication system. To have the best of advertising, the message must be communicated to the individual. Yet by the very nature of advertising, this is not possible. Figuratively speaking, words and appeals best suited for on man must necessarily fail to some extent to appeal to another. Our mass communications system does not segment its target with rifle-shot accuracy.

2.7.2 The 'Development' Perspective

Advertising gained prominence in Western cultures when the 'mass society' became a reality around the time of the industrial Revolution. This was made possible by mass literacy, mass transportation, and the mass popular media such as the press, and later the cinema, radio, television, video and cable. Mass advertising which has as its goal the national and international market, became the central link in a mass society. Advertising sought to maximize its market which included literally everybody. From advertising "the masses" learned about appliances used in the home, the changing styles of clothes, the books to read and the films to see.

However, it is not about products and services alone that people learn from advertising. In fact, advertising (especially consumer products advertising) tends to promote attitudes and life.style which praise acquisition and consumption at the expense of other values. A particular material possession is elevated to a social norm so that people without it are made to feel deprived. Further, what consumer product advertising does is to trivialize love, friendship and family. For instance, love is expressed through the "giving" and "sharing" of chocolates. Such advertising attaches noble values to products, and

thus makes consumption an ultimate end. Advertising thus reinforces a "Consumerist culture" which is marked by the urge to spend and to acquire. Values like simplicity, thrift, detachment are frowned upon. In Herbert Marcuse"s words, advertising "provides a culture of exaggerated self-awareness, Self-righteousness and monetary pleasure of the self-assertion – a kind of mass narcissism – which destroys the bonds of basic human loyalties in the family fiend-groups and in the community.'

To sum up, advertising does reflect the changing cultural values of a society. At times, it itself acts as a change agent. White doing so it should not lose sight of the development perspective.

2.7.3 Advertising and standard of living

The standard of living is an index of the products used by people in their day-to-day life. It refers to the consumption pattern of the people, reflecting the conditions of living in a country. Over a period of time, the standard of living may improve through economic prosperity. Though prosperity generates of better standard of living, advertising stimulates the desire for better things in life. While spreading information and stimulating a desire for better thing in life, advertising is doing a great service..

This is particularly true for the products which were not on the shelves of shops in the last decade but which have now become household items of consumption, thanks to advertising. Who does not like good living comfortable living? People are made alive to the advantages of being better off by advertising. It generates demand and purchasing power and enhances income. Increased economic activity thus indirectly leads to a higher standard of living.

The modern kitchen, the modern home and the modern office, which now use products unheard a decade ago are a silent testimony to what advertising can do to improve our standard of living. The rise of the middle class of 70 million people in India who want a fridge a TV, a moped or a scooter, convent education, a travel packages, stereo systems and interior décor, cosmetics and nutritional supplements, fast food and air travel bears testimony to the higher standard of living, which is no mean achievement for Indian advertising.

2.8 ADVERTISING AND ETHICS

Ethics have always been an important aspect of every business activity, although the term has meant different things at different times in different lands

to different people. Nonetheless, as ethical concerns are an inseparable element of business, advertising cannot ignore them. Sadly, the advertising industry has rarely cared to look beyond immediate marketing objectives. The argument in the industry is that it is the government's job to judge what is right and what is wrong. Shirking its own responsibility for regulation, the industry has belittled business values and agencies have harmed their balance sheets. For any business, customer is very important, and businessman attempt to communicate to all their target customers using means of communication like advertising and sales promotion. Advertising is a very powerful and most commonly used tool.

Ethics is concerned with good and bad, with reference to a particular culture at a given point of time. It represents a set of moral principles and values. Morality is concerned with the right type of conduct. It represents a set of principles of right and wrong behaviour. Ethics and morality are therefore, closely related, though the latter is wider in its meaning.

What is ethical advertising? To understand this, we must learn what is considered unethical by consumers, according to one market survey. Advertising is considered unethical when:

i) It degrades the rival's product or substitute product;

ii) It gives misguiding information;

iii) It gives false information

iv) It conceals information that vitally affects human life (e.g. side effects of drugs, precautions while using a geyser);

v) It makes exaggerated or tall claims;

vi) It is obscene or immoral

vii) It is against the national and public interest.

Ethical advertising contains truth, not absolute truth, but socially accepted standards of honesty as truth. It has to be right in its approach and claims. Business morality is derived from social morality. Truth in ethical advertising is valued because an advertise indulging in untruth will be spotted sooner or later. He will lose goodwill for ever, not only for one product. But possibly for his entire product line. Lastly, truth in advertising should be valued for its own sake. It is a high moral Principle, and also an important tenet of business ethics. It is immoral for an advertise to deceive his prospects. Laws in most countries are stringent against untruth in advertisement. Consume consciousness also pressurizes the advertiser to be ethical and truthful.

Ethical questions abound when considering modern advertising techniques:

- What responsibility, if any, does a company have for honestly educating the consumer about its product?
- Should advertisers be allowed to suggest that a product will make a person more sexy/interesting/beautiful/successful/etc?
- Is it ethical to use celebrities to sell products they probably don't even use themselves?
- Is it the buyer's responsibility to be aware of these strategies and not allow them to manipulate their emotions?

Ethical advertising can shift the demand curve to the right; unethical can shift the demand curve of a firm to the left. Sly headlines, over-dramatization, over-play of sex, exaggeration and half-truths are sometimes considered to be a clever gimmick necessary for success. Such vulgarities and unethical distortions, however, give a bad name to advertising. Always, unethical advertising is bad business.

2.8.1 Unethical Advertising

Unethical advertising can take any of the following forms:

(1) Untruthful Claims: Ads Offering mixtures and substances which promise loss of Weight, growth of hair, growth in height, sexual energy, freedom and independence make patently false claims.

(2) Exaggerated Claims: The Exaggeration in consumer advertisements is not only in the headlines, body copy and slogans but also in the strong visuals. The mouth watering visuals of television ads of ice creams, cakes, biscuits, chocolates, Jellies and yogurt are created with "models" that have nothing to do with the Look, the feel and the taste of the actual products.

(3) Unverifiable claims in a language that is ambiguous: Advertisements of energy Drinks' (Horlicks, Maltova etc) tell us about the number of vitamins and how they Children to grow strong and tall. There is just no way of verifying these tall claims. For instance, Maltova claims it is "for health, strength and energy" Maltova says the ads, is a hi-energy drink that is specially good for today's children. Full of the Goodness of the ripe barley malt, fresh milk and cocoa, Maltova makes a healthy, Body-building delicious drink. Your kids will love the rich chocolate taste. "Such unverifiable claims are the very stuff of slick advertising. What is a hi-energy Drink? How does it build the body or make on healthy? The advertisements for Baby foods like farex

make similar unverifiable claims. So do advertisements of Biscuits that assure through visual and copy that they are "oozing" with honey or Chocolate.

(4) The use of misleading labels and names: Indian advertisers have frequently to be warned by multinational companies not to use the brand names and labels of Their products. The use of misleading labels is best illustrated in advertisement of T.S. Watches Where the full stop between S an W is almost invisible leading to the impression that watches advertised are the internationally renowned 'Swatch".

(5) The use of testimonials or endorsements: Advertisers pay handsome fees to film and Sports personalities who have nothing to do with the use of the product or the service, To endorse their products. The Nawab of Patatudi promoted God Café, and several Other products as will; Dimple Kapadia figured in ads of Crowning Glory; Sunil Gavaskar is the "Dinesh man, Sachin drinks Boost. Now what do these "stars" have to do with the real value of the products?

(6) Creating erroneous impressions: Advertisers frequently exploit the weakness of Indians for "foreign" products by giving foreign brand names such as "Park Avenue" "Or" "Cambridge" to their products or by getting Europeans or Americans to endorse Indian Products or by getting Europeans or Americans to endorse Indian Products. Some Manufacturers advertise indigenous cosmetics and perfumes by using names like "France" or "Paris" "or "Cologne" in their advertisements to create the erroneous Impression that such products are "foreign"

(7) The use of sex, especially the use of women as sex objects: To advertise products that Targeted at men – products such as cars, motorbikes, two-wheelers, after-shave lotions, under showers or in bat-tubs, showing the power of lime fresh soaps with varying brand names to make beating a scintillating experience for the viewer.

(8) Alcohol and tobacco adverting: Advertising of alcoholic drinks and tobacco are Prohibited in the broadcasting media and in the cinema; in the print media, how ever Tobacco is adverting is allowed, but alcohol advertising prohibited. Advertisers have got round these prohibitions in ingenious ways. Alcohol advertising has made its appearance indirectly through advertisements of soda, glasses and mineral water. These indirect ads are called surrogate advertising.

Further, firms like McDowell sponsor sport events like the Indian Derby and thus promote their brands of liquor. Sponsorship of sports events by manufacturers of alcoholic drinks and cigarettes has become commonplace in India.

2.8.2 Drug advertising

According to the Drugs and Magic Remedies Act, and the Drugs and Cosmetics Act, only over-the-counter drugs can be advertised and not the scheduled drugs. The Pharamaceutical industry in India markets over 15,000 brand named drugs despite the Hathi Committee's determination that the nation's pharmaceutical needs could be satisfied by 117 "essential" drugs. The "new" drug often consists of merely a combination of existing products, a minor chemical modification of existing brands, the packageing of an existing drug in a new dosage form or a different derivative of an existing molecular structure. Besides, new brand names are often obtained for existing drugs (M.Aparna Vishwanathan, "Brand Loyalties; A Case Study" in the Economic Times, Novemeber 16,1989)

The Indian Pharmaceutical industry, while keeping clear of public media advertising promotes branded drugs to doctors. Medical representatives approach doctors regularly and promote sales of a company'drugs. This is called ethical promotion. Further, doctors regularly receive free sample, medical literature and business gifts and invitations to sponsored conferences. So aggressive is the marketing of drugs of Indian and multinational companies that several companies are known to spend over 20-30% of their gross sales on promotion. The Indian Medical Association or the government authorities seem to have little power to halt this sorry state of affairs. Is such promotion of drugs in a poor country ethical?

2.8.3 Code for commercial Advertising on Doordarshan

This Code was presented to Parliament in mid-1987. It incorporates the Indecent Representation of Women Act and the Consumer Act, bot of which were passed by parliament. It suggests 33 Do's and Don'ts for advertisers. Here are some of them:

Advertisement should conform to laws and should not be offered against morality, decency and the religious susceptibilities of people. The success of advertising depends on public confidence and no practice should be permitted which tends to impair this. The Director-General shall be the sole judge of the Code.

The following advertisements should not be permitted:

1) Ads which deride any race, caste, colour, creed and nationality or are against the Directive Principals or the Constitution.
2) Ads which tend to instigate people to crime or cause order or adversely affect friendly relations with foreign states.
3) Ads which exploit national emblem, any part of the constitution, or the person /personality of national leaders or state dignitaries.
4) No advertisement shall be presented as news.
5) Ads which have any relation to religion, political or industrial dispute.
6) Ads which promote chit funds, money lenders, jewellery, fortune tellers, foreign goods, and private saving schemes.
7) Guaranteed goods will have to be made available to Director-General of Doordarshan for inspection if necessary.
8) No disparaging or derogatory remarks of other products or comparison with them should be made.
9) Ads which portray women as passive or submissive.
10) Ads which are likely to startle viewers – such as gunfire, sirens, bombardments, screams, and raucous laughter.

2.8.4 The Monopolies and Restrictive Trade Practices Commission

The MRTPC is a statutory body set up in 1969 to protect the interests of consumers by keeping competition alive and preventing restrictive trade practices. Restrictive trade practices are any trade practices which tend to prevent, distort or restrict competition in any manner, which results in manipulation of prices or conditions of delivery or which affects the free flow of supplies in the market and thereby imposes unjustified costs or restrictions on consumers.

For the first 15 years of its existence, the MRTPC had no power to pass final orders on any restrictive trade practice not freedom to pursue enquires independently. It could only issue "cause and desist" orders. The guilty company was usually fined Rs.5000 and / or imprisoned for six months. Thus until 1984 the MRTPC had no provision for protecting consumers against business. The Sanchar Committee Report (1978) observed that "there is now greater recognition that consumers need to be protected not only from the effects of restrictive trade practices but also from practices which are resorted

to by trade and industry to mislead or dupe consumers." The MRTP Act offered consumers no redress from false or Deceptive advertisements or specious sales promotional devices such as discounts, contests and gift schemes which tempted buyers into believing that they were getting something for nothing. As a consequence, manufacturers could without any risk make medicines and beauty aids, for example.

In 1984, unfair trade practices were brought with the purview of the MRTP Act. Provision was now made for monetary compensation for loss or injury sustained by consumers as a result of unfair practices. The commission can now initiate inquires on its own, or when it receives complaints from a consumer or trade association or individual member of such an association or (since 1987) from any ordinary consumer. It also starts the process of inquiry when the Central Government refers a case to it. During the last few years the commission has probed into thousands (5000 in 1985, and 24,000 in 1986 and 1987) of complaints against trade and business. The following cases of false and misleading claims in advertisements have been upheld:

1) Fedders Lloyd"s claim in an ad that its air-conditioner was fitted with a US made compressor, when it was actually made by Kirloskar's
2) Body Wrap"s claim that a customer could lose 5 to 15 inches of body fat in one hour, and two kg. in one week, without exercises or dieting.
3) Roche Products claim about its drug "ferro reduxon" in the medical literature supplied to doctors.
4) Stallion Shox Ltd. was restrained from launching its highprofile and campaign in whifh it made several misleading claims that its shock absorbers were on hundred percent tamper-proff and their life was 75% longer than other brands.
5) The contests held by Colgate Palmolive (to enter which two toothbrushes had to be bought), ITC (Made-for-each-other contest) and Bata ("Bubble-gummers") were held to be deceptive by commission (Data source: Business World, June8, 1988).

Check your progress

5. Expand ASCI ________
6. Four cornerstones for self, Regulations in advertising ________.

2.8.5 Sales promotion (SP) Campaign and Ethics

Time and again, Monopolies and Restrictive Trade Practices Commission investigates the promotional campaigns of well-known and otherwise respected companies for unfair trade practices. Several companies are said to

have offered free-gifts, though retail prices were sufficiently raised either to wholly or partly cover the cost of the gift. Some companies link the sale of their product with the sales of other products. MRTP Commission is required to pass cease-and desist order several times. It, however, takes a long time to deliver its final verdict and issues interim injunctions in the meantime. This hampers the legitimate promotions a great deal. There should be a mechanism to approve the campaign before it is launched to save time and energy and lend legitimacy to campaign itself.

2.8.6 Self-Regulation Laws

Social groups, frequently raise a hue and cry against some advertisements which they find indecent and in bad taste. Blatant use of women's anatomy for products which are not even remotely related to tem offers many in society. Some ads ridicule the existing religious practices; or draw religious analogies in an irrelevant manner. The state may come down heavily on advertising by passing restrictive legislations, if the profession does not the draconian censorship of state which may perpetuate itself. Absence of legislative control now on advertising profession (except in areas of immoral representation of women, bottle feeding and its promotion, promotion of narcotics, cigarettes and liquors, and drugs and medicines) should not be taken as licence for wanton abuse of advertising process. All the layers in the game, the advertisers, the media, and the ad agencies must restrict themselves to an ethical code as a measure of the self-regulation.

2.8.7 Self –Regulation

Business and the advertising industry has woken up to the need to draw up codes of Conduct which will promote self-regulation. However until February 1989 the Majority had not enlisted as members either of the Council for Fair Business practice CFBP or the Advertising Standards Council of India: ASCI. Further, the efforts made to impose self regulation were half-hearted as was evident in the approach to dealing with public complaints. Both the CFBP and ASCI have yet to win the trust of the public; their gentlemanly approach to defaulters or erring members will not convince anyone that they are serious about bringing the guilty to book.. The council for Fair Business Practices had declared 1989 the year of the consumer and propagated this code for Fair Business Practices. Every member of the council accepts the following fundamental obligations:

1) To charge only fair and reasonable prices and take every possible step to ensure that the prices to be charged to the consumer are brought to his notice.
2) To take every possible step to ensure that the agents or dealers appointed by him do not charge prices higher than fixed.
3) In times of scarcity, not to withhold or suppress stocks of goods with a view to hoarding and / or progiteering.
4) Not to produce of trade in spurious goods or goods of standards lower than specified.
5) Not to adulterate goods supplied.
6) Not to publish misleading advertisement.
7) To invoice goods exported or imported at their correct prices.
8) To maintain accuracy in weights and measures of goods offered for sale.
9) Not to deal knowingly in smuggled goods.

2.8.8 Advertising Standards Council of India (ASCI)

In order to enforce an ethical code in India we have the Advertising Standards Council of India. ASCI. It is a non-profit organization set up by 43 founder members who are involved with advertising in one way or the other. It puts forward a regulating code. ASCI proposes to adjudicate on whether an advertisement is offensive and its decision will be binding on its members.

Code – The ASA-UK bake

It is inspired by a similar code of the Advertising standards Authority (ASA) U.K. It seeks to achieve the acceptance of fair advertising practices in the best interests of the ultimate consumer.

(i) Guidelines

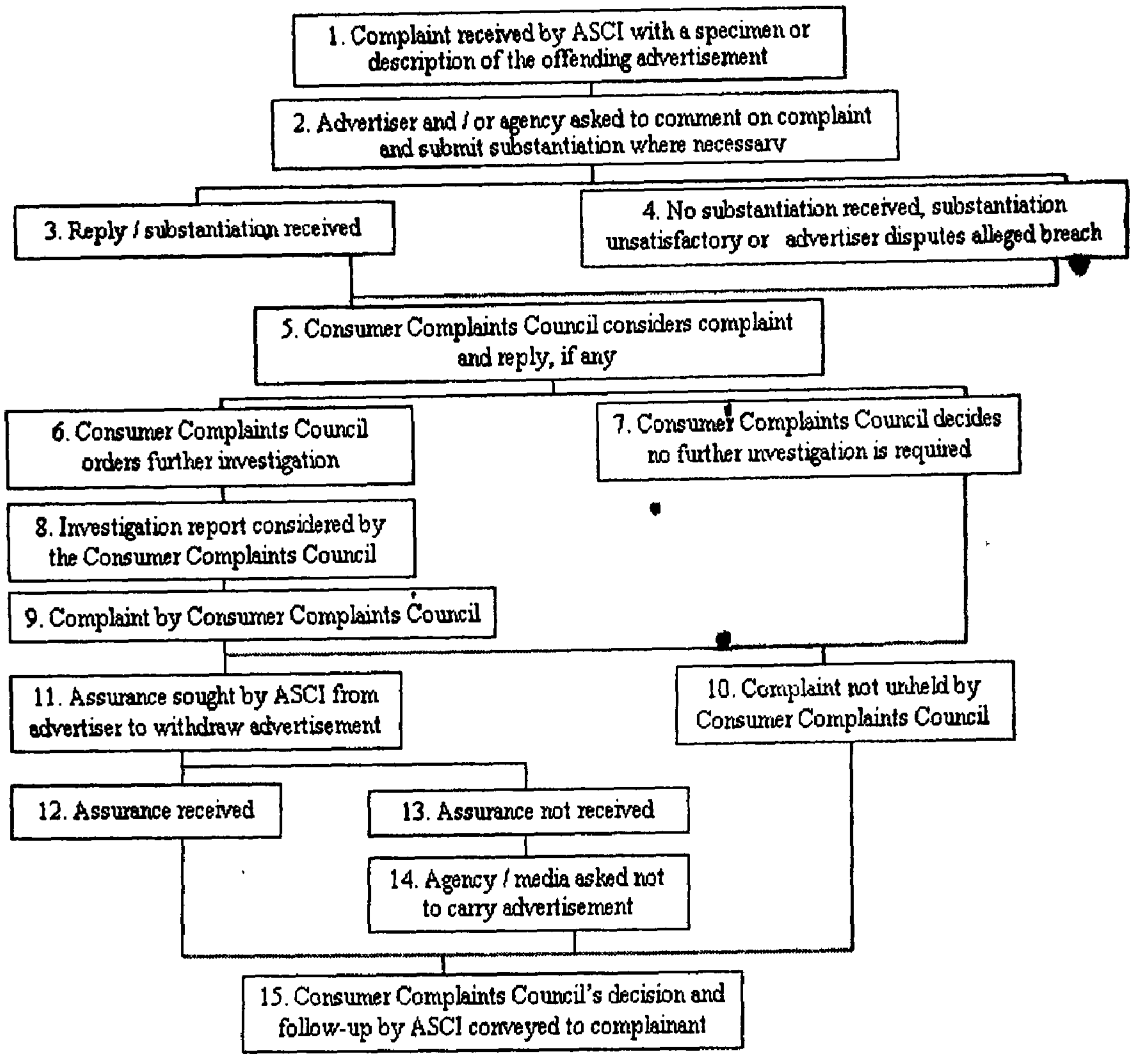
1. To ensure the truthfulness and honesty of representation and claims made by advertisements and to safeguard against misleading advertising.
2. To ensure that advertisements are not offensive to generally accepted standards of public decency.
3. To safeguard against indiscriminate use of advertising for promotion of products which are regarded as hazardous to society or to individuals to a degree or of a type which is unacceptable to society at large.

4. To ensure that advertisements observe fairness in competition so that the consumers need to be informed on choices in the market place and the cannons of generally accepted competitive behaviour in business are both served.

(ii) Procedures

14-members sub-committee of ASCI consisting of people from various walks of life medicine, law, media – hear a complaint from a member of the public, examines it in the light of the code, asks the advertiser agency to comment and submit a substantiation. On upholding the complaint by ASCI, it asks the advertiser to withdraw the ad. The procedure takes two months. The following diagram illustrates the procedures followed while processing a consumer complaint.

Processing a Consumer Complaint



Some recent complaints which were not upheld by the council

Product	Ad
Sabari tea	It showed a man serving tea to a woman
Adam condoms	Some were offended by the condom ads,
Kohinoor condoms	"show her who is the boss!
Kingston cigarettes	Mild sexual overtone was resented. A couple on a beach. The girl was clad in a bikini. The man had a cigarette in his hand.
Leela Kempinski; Leela Beach, Goa	Kiss a pink lady in Rio.
Amul butter	Love bites.
VIP Champ Briefs	Suggestive / Offensive
A.Sirkar (Jewellers)	Gold item displayed on naked thigh.

The following complaints were upheld:

i) ad featuring trousers open at the waist. The base-line "The all male place is soon opening up"

ii) 30-plus ad with the line "Rediscover the power to perform."

Areas of Concern

i. Surrogate liquor advertising which uses glasses, soda and ice to sell liquor brands.

ii. Increased eroticism in advertising

iii. Unbridled comparative advertising

iv. Plagiarism of creative

v. False and misrepresentative claims.

Four Cornerstones for Self-Regulation in Advertising

They are truthfulness, honesty, decency, legality and fairness.

For every Cinthol Vs. Liril victory that the body can be proud of, there are umpteen aristocratic "high commands" to ponder over.

Comments

It does not have enforcement powers. It acts as only a moral pressure group. It is code also not definitive about offensiveness. Its code will acquire teethe now that it proposes to publish cases of noncompliance by advertisers and agencies in mass media and the annual report of ASCI. Out of its 43 original founders as on 21st Oct,1985, only 37 corporate members had signed till 86. It lacks resources also. It membership drive is on. The organization pre-empts statutory regulatory body, and so its survival is in the interest of the profession. ASCI give the consumer a chance of complaint if he is being mis-led.

2.9 ADVERTISING AND SOCIETY

A Structuring of the Issues......

The Central issues of advertising and society can be divided into three categories, as depicted in Figure. The first category represents the nature and content of the advertising to which people are exposed. Is the practice of advertising inherently unethical? Are appeals used to manipulate consumers against their will? These are a variety of issues associated with taste. Is advertising too repetitious, too silly, too preoccupied with sex? Does it irritate or offend the audience. Finally, there are questions about the fairness of advertising to children, especially when the sugar products involved could adversely affect their health. In essence, this category, the nature and content of advertising, considers the means rather than the ends of advertising, the means being the copy and media tactics used.

Ethics	Manipulation	Taste Children	Advertising to

Economic Effects	Effects on Values and life Style
Competition	Materialism
New products	Harmful Stereotypes
New Products	Harmful Stereotypes

The remaining two categories represent the aggregate effects of advertising on society as a whole. These are often called secondary consequences or effects. One of these is the effect on society's values and lifestyles. There are those who believe that advertising competes with or dominates such other socialization agents as literature, plays, music, the church, the home, and the school; that it fosters materialism at the expense of other basic values; that it may serve to reinforce sexual or racial discrimination; or that it promotes harmful products. The second is the effect of advertising on society's economic well-being and on the efficiency of the operation of the economic system. To what extent can the power of advertising lead to the control of the market by a few firms, which will weaken competition and raise consumer prices? What is the economic value of advertising as an efficient mechanism for communicating the existence of new products? To what extent does it subsidize mass media?

2.9.1 ETHICS

The advertising ethics is being legitimized as a regular subject for teaching and research. There are now various normative and descriptive models of ethics. Normative models attempt to assemble the factors that ought to be weighed in reaching ethical decisions. Descriptive models focus on describing the processes marketers use in adjudicating marketing issued. And, efforts are being made to test empirically some of the propositions from these models. There is considerable overlap between what many consider to be ethical issues in advertising and the issues of manipulation, taste, and advertising's effects

on values and lifestyle reviewed in this chapter. In what follows, we will therefore consider ethics from these various viewpoints.

2.9.2 Manipulation

Perhaps the essence of a free marketplace and a free society is the freedom to make decisions of various kinds, or in the context, the freedom to select or not select a particular brand. There are those who fear that this freedom is circumscribed by the "power" of advertising-that advertising is so effective it can manipulate a buyer into making a decision against his or her will or a least against his or her best interests in allocating his financial resources.

2.9.3 Motivation Research – The fear of "Hidden Persuation"

Motivation research is an approach that draws on the Freudian psychoanalysic model of consumer decision making. It assumes that important buying motives are subconscious, in that a respondent cannot elucidate them when asked the opinion of a brand or a product class. A consumer may actually prefer a cake mix that requires the addition of an egg because it subconsciously satisfies the need to contribute to the baking process, although she or he consciously believes that the only reason is that a fresh egg adds quality.

2.9.4 Emotional Appeals

The communication of factual information about a product's primary function is usually accepted as being of value of the consumer. However, when advertising utilizes appeals of associations that go beyond such a basic communication task, the charge of manipulation via emotional appeals is raised.

2.9.5 Power of Modern Advertising

There also exists a somewhat more general claim that advertisers have the raw power to manipulate consumers. Many companies have the capacity to generate large numbers of advertisements exposures. Furthermore, some observers believe that these companies can utilize sophisticated, scientific techniques to make such advertising effective.

2.1.6 "In bad taste"

Some critics feel that advertising is objectionable because the creative effort behind it is not in good taste. This type of objection was explored in a massive study conducted in the mid-1960s. More than 1,500 people were asked to visit those advertisements that they found annoying, enjoyable, informative, or offensive. Of the more than 9,000 advertisements involved, 23 percent were labeled as annoying and 5 percent as offensive. Although a portion of these

advertisements irritated respondents because they were considered deceptive, the majority were so categorized for reasons related to questions of taste.

NOTES

2.9.7 The Appeal

In an open letter to the Detroit News entitled. "You Dirty Old Ad Men Make Me Sick" a reader took issue with the use of sex in advertising. In making her case, she described several advertisements:

A love goddess runs down the beach, waves nibbing at her toes, her blond streaked hair sweeping back behind wide, expectant eyes. A filmsy garment clings to every supple curve. She runs faster, arms open, until finally she throws herself breathlessly into HIS arms...... Where's this scene? Right in your living room, that's where. Wild and passionately aroused, she can't stop herself. She runs her fingers his hair, knocks his glasses off, and kisses him and kisses him again..... Who's watching? Your nine-year-old daughter as she sits on her stuffed panda bear and wipes jelly off her face.

The letter received considerable response from advertising professionals. Some argued that advertisements, as long as they are not obscene, reflect society and its collective lifestyles. They observed that nudity and the risqué are part of the contemporary world in which advertising is embedded. Others agreed that sex is overused and suggested that effective advertising can be created without tiltillating.

> ***Check your progress***
>
> 7. CARU it means
>
> ________

One problem is that television commercials have to create attention and communicate a message-and accomplish all this in thirty or even fifteen seconds-a demanding task, indeed. Another problem is that television reaches large, broad audiences. It is one thing to use a risqué approach in playboy magazine and quite another to use it on prime-time television when the likelihood of offending is much greater.

Fear appeals have also been criticized. The intent of the fear appeals is to create anxiety that can supposedly be alleviated by an available product (insurance against a fire or a safe tire to prevent accidents) or action (stop smoking). There exists the possibility that such appeals may create emotional disturbances or a long-run anxiety condition in some audience members. The cumulative effects of such advertising may be highly undesirable to some, although it can also be argued that they quickly cease to have any significant degree of emotional impact and that the audience soon becomes immune to the messages.

2.9.8 Intrusiveness

To some people, advertising, especially television advertising, is often like a visitor who has overstayed his welcome. It becomes an intrusion. Greyser postulates a life cycle wherein an advertising campaign moves with repetition from a period of effectiveness, and presumably audience acceptance, to a period of irritation. The cycle contains the following stages:

1. Exposure to the message on several occasions prior to serious attention (Given some basic interest in the product)
2. Interest in the advertisements on either substantive (informative) or stimulus (enjoyment) grounds.
3. Continued but declining attention to the advertisements on such grounds.
4. Mental tune-out of the advertisement on grounds of familiarity.
5. Increasing re-awareness of the advertisement, now as a negative stimulus (an irritant)
6. Growing irritation.

2.9.9 Advertising to Children

Advertising to children has been a major focus of public policy and concern for many years. Groups such as ACT (Action for Children's Television) and CARU (Children's advertising Review Unit) have been particularly active. CARU was established in 1974 by the National Advertising Division of the Council of Better Business Bureaus for the purpose of (1) monitoring children's advertising for truth and accuracy, (2) evaluating proposed children's advertising (3) promoting research into children's advertising, and (4) disseminating information to the public.

2.9.10 Effects on Values and Lifestyle

Advertising by its very nature receives wide exposure. Furthermore, it presumably has an effect on what people buy and thus on their activities. Because of this exposure and because of its role as persuasive vehicle, it is argued that it has an impact on the values and lifestyles of society and that this impact has its negative as well as positive side.

2.9.11 Materialism

Materialism is defined as the tendency to give undue importance to material interests. Presumably, there is corresponding lessening of importance to nonmaterial interests such as love, freedom and intellectual pursuits.

Bauer and Greyser argue, however, that although people do spend their resources on material things, they do so in the pursuit of nonmaterial goals. They buy camping equipment to achieve a communion with nature, music systems to understand that classic composers, and an automobile for social status. The distinctive aspect of our society's is not the possession of material goods, but the extent to which material goods are used to attain nonmaterial goals. Associating advertising with materialism, of course, does not demonstrate a causal link. In fact, such a link is impossible to prove or disprove. It is true that advertising and the products advertised are a part of our culture and thus contribute to it in some way. It is also true, however, that advertising does not have the power to dominate other forces (family, worship, literature, and so on) that contribute to the values of society.

2.9.12 Promoting Stereotypes

The accusation that advertising has contributed to the role stereotyping of women and ethnic minorities has been supported by several studies. In 729 advertisements appearing in 1970, none shoed women in a professional capacity, whereas 35 of them so portrayed men. The authors concluded that the advertisements reflected the stereotype that women do not do important things, are dependent on men, are regarded by men primarily as sex objects, and should be in the home.

A host of questions are raised. Does role stereotyping continue in advertising? What negative impact does advertising have in creating stereotypes, or what positive force does it have in breaking them down? In the absence of definitive answers to these question, what should the advertisers' position be? Should countering role stereotypes be one objectives of adverting? It is known that role portrayals of women in advertising which are consistent with the roles played by women in the viewing audience are more effective than when the roles are inconsistent. Thus, advertising showing women in traditional roles is less effective with an audience of professional women, and vice versa.

2.9.13 Promoting Harmful Products

Thooctors Surgeon General"s report on tobacco and lung cancer has led to wave of calls of increased legislation and proposals to ban cigarette of advertising. Some have suggested counter ads which would dramatically "advertise" the health disadvantages of drinking. Similar movements against cigarettes were effective and led to the banning of cigarette advertising on television. The basic argument is that alcohol, like cigarettes, is a "harmful" prod-

uct. Alcohol is unhealthy for the individual and is indirectly responsible for injuries and deaths resulting from drunken drives.

2.9.14 Special Case of Cigarettes

There is little question health and cigarette industry officials disagree on the effects of cigarette smoking on public health and that there is a significant battle going on surroundings the issue of cigarettes and smoking. It is a battle of gargantuan proportions involving what appears to be the decline of huge tobacco products, industry, many government departments, a large and newly aggressive health care industry, and all forms of mass media. It is in reality an enormous social science experiment involving competitive forces attempting to influence a specific kind of consumer behaviour. On one side, there are dozens of government and nonprofit organization agencies and groups trying to stop smoking behaviour, and on the other giant corporations trying to maintain and encourage it.

2.9.15 Green Marketing

The environment movement has spawned a number of new issues about advertising and its effects on values and lifestyles. Advertising has been a part of the Environment Protection Agency (EPA) and other profit and nonprofit organization efforts to encourage recycling, energy conservation, and many ecologically positive behaviors. It has been the vehicle through which the nation has received a great deal of information and education from cleaning up waste dumps to preserving tigers. Many corporations have recognized the importance of social responsibility and have taken appropriate steps to become more environmentally responsible. A recent trend has been for corporations to begin using environment appeals in marketing regular products. This so-called green marketing has been changed on a number of grounds.

2.9.16 Health Claims and Food Marketing

Another area of controversy that has stirred much attention and national debate about advertising and marketing practices is the use of health claims, particularly in food advertising. People have become much more health-conscious, and companies have moved forcefully to produce food and other products that can lead to healthier lives. As in the case of green marketing, the public policy problem is that some claims may be considered deceptive and mislead consumers. Special attention has been given to the use of seals of approval for food and of in-disclosure of health warning. All the foregoing issues in one way or another deal with the nature and content of advertising

and its effects on values and lifestyle. We turn now to a look at advertising and society from the viewpoint of advertising's economic effects.

2.10 Economic Effects of Advertising

It is unreasonable to separate the economic and social impact of advertising. The social issues, by themselves, tend to focus on the negative aspects of advertising its intrusiveness, content that is n bad taste, and the possibly undesirable impact on values and lifestyles. If advertising were regarded society on these grounds, it would be difficult to defend, despite the fact that much advertising id entertaining, some way even be a real artistic value, and some is directed toward supporting causes that are universally praised. Advertising is basically an economic institution. It performs an economic function for an advertiser, affects economics decisions of the audience, and is an integral part of the whole economic system. Thus an economic evaluation should accompany other types of appraisal of advertising. Here are some of the economic benefits of advertising:

i. Advertising provides informational utility.
ii. Maintains or enhances brand equity.
iii. Supports the media.
iv. Provided employment.
v. Reduces distribution cost.
vi. Provides product utility.
vii. Stimulates introduction of new products.

Advertising provides information to consumers and can help them make better economic decisions than they would otherwise. The other side of the coin in many nutrition related deceptive advertising cases is that banning the advertising would eliminate the increased awareness of nutrition issues that such advertising generates.

2.10.1 Effect on Business Cycles

Advertising could theoretically be a tool to alleviate the economic pain arising from extreme swings in the business cycle. A knowledgeable businessperson, anticipating a booming economy and capacity production, should reduce advertising expenditures. Converesely, when the economy is weak and orders are needed, many firms should increase their advertising. Since the extremes of a business cycle cause inflation or unemployment any mechanism to stabilize conditions would be an economic benefit. The problem is that many

advertisers, especially those who tend to set their advertising budgets at a fixed percentage of sales, actually increase advertising when times are good and decrease it when sales are weak. These firms may thus actually increase the extreme of the business cycle instead of decreasing them. Julian Simon concluded that this tendency actually denominates and advertising expenditures generally follow the same course as the business cycle. He also concluded that the potential of advertising to affect the business cycle is small, since economic cycles. The evidence to date is that advertising has a negative though small impact in reducing the extremes of the business cycle.

2.10.2 Advertising and Competition:-

The existence of vigorous competition is important to a market economy. Competitive forces lead to real product innovation, the efficient distribution of goods, and the absence of inflated prices. The question is: What impact does advertising have on competition/? There have been hypotheses put forth indicating that advertising can actually decrease the level of competition. For example, it is argued that heavy advertising expenditures in many industries generate strong brand loyalty that tends to create barriers to potential competitors. The hypothesized result is fewer competitors, less competition, and higher prices. One measure of competition within an industry is the degree to which the sales of the industry are concentrated in the hands of a few firms. The specific construct is the concentration ration; that is the share of industry sales held by the four largest firms. When the concentration ration exceeds 50 per cent, price competition is theorized to be less vigorous and high prices result. Among the many industries that would qualify under this criterion are automobiles, aircraft, electric lamps, flat glass, primary aluminium and household refrigerators and freezers.

2.11 SUMMARY

Advertising brings out cogently and convincingly the merits of products. It kindles new hopes and desires in the consumer, who then strive hard to earn more, and improve the purchasing power. In this chapter, we discusses about social aspects of advertising; Advertising and Ethics, Advertising and Society, Economic effects of advertising and the like. Advertising by generating association between products and moods, lifestyles and activities can add to the initiates a buyer receive from the product.,

2.12 ANSWER TO CHECK YOUR PROGRESS

1. Production, distribution, consumer.
2. Potent tool for creating and strengthening
3. Productivity
4. Fundamental determinant
5. Advertising Standard Council of India
6. Truthfulness, honesty, decency, legality and fairness.
7. Children's Advertising Review Unit

2.13 MODEL QUESTIONS

1. Does Advertising Manipulate?
2. Does Advertising create or foster materialism or merely reflect values and attitudes of the society?
3. What are the economic effects of Advertising?
4. "Differentiated products can generate brand loyalty and thus escape price competition" – Discuss

UNIT 3

INDUSTRIAL ADVERTISING IN INDIA

STRUCTURE

3.1 Introduction

3.2 Unit objectives

3.3 Advertising Functions

3.4 Media

3.5 Budgetary Support

3.6 Rural Advertising in India-an introduction

3.7 Advertising Challenges and Opportunities

3.8 Summary

3.9 Answer to check your progress

3.10 Model questions

3.1 INTRODUCTION

Industrial advertising plays a crucial role in creating awareness about the marketer offerings among its target customers and in improving the sales efficiency. It also provides an impetus to the sales personnel by increasing the effectiveness of their selling activities. It also provides support to channel members like distributors and intermediaries. The advertising planning process starts with the setting up of advertising objectives, budgets, message selection, and development of media strategy, and ends with evaluation of the effectiveness of advertising. The industrial marketer sets advertising objectives based on the marketing strategy. As a component of marketing strategy, the effective use of advertising is dependent upon knowing the tasks it can best perform and matching the various elements of the advertising plan to them. These elements include the sales appeals to be used, the media best suited to convey them, the message in which they will be incorporated, and the budget support required by the total endeavor. The Collateral topics of publicity, the use of advertising agencies, and the measurement of advertising effectiveness are treated briefly at the end of the chapter.

3.2 UNIT OBJECTIVES

- Analysis of the industrial advertising in India
- Examine the rural advertising in India
- Find the challenges and opportunities of advertising
- Examine the inter-media comparison

3.3 ADVERTISING FUNCTIONS

Even a partial listing of the function which advertising can perform would include such important and varied ones as informing customers and prospects about the seller and his products, identifying new customers, winning recognition, supporting salesmen, motivating distributions, and stimulating primary demand. The followings are the advertising functions.

3.3.1 Disseminating information

A primary function of all advertising is to inform people about the products and services of the advertiser. This function is particularly important in industrial marketing because purchases are so frequently made on the basis of facts and logic. If a professional buyer reads an ad at all, he will probably read it carefully, for trade journals and the ads they contain are one of his sources of information about product availability. Consequently, industrial advertising copy is often studded with facts which are precise, documented and provable interest, and embellished with all the skills of the copywriter's art. But facts form the core of the message.

3.3.2 Identifying new customers

It is very unlikely that an industrial buyer would commit himself to the purchase of a product solely on the basis of information supplied by an advertisement. But buyers frequently can be induced to request additional information about a product or even to order small test lots of it on the basis of information that is presented in a well-written, highly factual advertisement.

Generating inquiries through advertising is a widely practiced method of identifying new customers. Some inquires may come from present buyers concerning uses or processes with which they are not familiar, and / or from prospects to whom the advertiser's salesmen have failed to gain access. For the most part, however, a well-planned advertising effort designed to probe new markets can be expected to generate inquiries chiefly from firms which currently are not customers of the advertiser. A very common procedure in dealing with such inquires is first, to reply by mail or by whatever other means

of communication the inquiry is receive, and then to turn them over to the salesmen or distributors from whose territories they originated for personal follow-up. It is obviously meaningless to invest in such advertising without a plan for aggressively following up the sales leads it generates. Such a plan should be developed when the advertisement is planned.

Establishing recognition

When an industrial goods manufacturer moves into a new market or introduces a new product to be sold to a new group of buyers, one of the first promotional tasks "he advertising department faces is to get the company's name in the resource files of as many firms in the new market as possible. Advertisements with well-researched copy in the appropriate trade journals are usually an effective way of accomplishing this end. Many industrial buyers consult trade journals as a means of keeping their files up to date. Moreover, when a firm changes its manufacturing process or its product line so as to require unfamiliar equipment or materials, buyers must compile 'new lists or files of possible suppliers. They are almost certain to consult trade journal advertisements in this process.

Another form of recognition that is important to the industrial seller is that associated with trademarks. A manufacturer of stainless-steel valves learned that, although the product had been on the market for nearly two years, his trademark was relatively unknown. Design engineers, plant managers, and purchasing officers were accustomed to specifying more familiar names when buying new valves or ordering replacements. Distributors did not find the product particularly profitable and, therefore, made no special effort to sell it. In order to increase sales, the company embarked on an advertising program with two objectives in mind: (1) build an image of product reliability comparable to thst enjoyed by its most important competitors, and (2) gain recognition as a leader in the technical development of stainless alloys.

3.3.3 Supporting Salesman

Advertising can also be effective in preparing prospective customers for salesmen, in reaching personnel inaccessible to them, and in overcoming prejudice about the company its products.

Preparing prospective customers. Advertising can often be instrumental in "opening the door" for salesmen by informing prospective customers of new products, indicating the extent of the advertiser's line of products, and explaining the position of the company in the industry, and its polices toward customers.

Preinforming the buyer in this manner saves the salesman's time and permits him to close sales more quickly. The salesman employed by a company that advertises consistently is likely to be received more cordially, and his selling task is apt to be easier than that of one whose firm does not advertise regularly. Even the small industrial goods manufacturer, through effective use of a limited advertising budget, can open for his salesmen may doors that otherwise would remain closed

Advertising can be useful in keeping the company's name and product offering before customers between salesmen's calls. "They forget you in a hurry", is true of customers as well as fair-weather friends. Effective selling requires that contact with the customer be made often enough to insure continued association in his mind between the seller and his need for the seller's product. In a competitive market, the seller who overlooks this fact very often finds that sheer weight of competitive contact causes the loss of customers who thought were loyal to him. when there is little difference in quality and price among competitive products, marketing. To'make the necessary contacts through salesmen's visits is sometimes prohibitively expensive. However, because of advertising's relatively lot-cost per contact it is well suited to the task of maintaining the required association between salesmen's calls.

3.3.4 Motivating distributors

The industrial goods producer who sells through distributors or manufacturer's agents must convince them to devote sufficient time and energy to his products to sell them successfully. Otherwise, neither the manufacturer nor the middleman will derive much benefit from them. However, commanding adequate attention from middlemen is often difficult because other manufactures whose products they carry are attennitiing to do the same thing.

3.3.5 Stimulating primary demand

It is sometimes profitable for the industrial goods manufacturer to promote, demand for the products of his customers. This may be an effective way of increasing the use of materials or machinery manufactured by the advertiser. Steel companies, for example, have a year placed advertisements in consumer media promoting the virtue of products made of steel. Manufacturers of fibrous glass have pursued the same strategy, using a variety of consumer media to advertise the superiority of fiber-glass reinforeced plastic in making such varied products as boat hulls, molded chair bottoms, draperies, auto mobile bodies, fishing rods, and luggage.

3.3.6 Sales Appeals

Once the decision has been reached regarding the function, or functions, advertising is to fulfill, the advertiser must choose the appeals that will be roost effective in implementing them. A sales appeal is an argument. a fact, an idea. Or an expression of an attitude or emotion that the advertiser thinks will induce a prospective buyer to react favourably to his message. This appeal is unlikely to have the desired effect unless it promises to help the buyer achieve his own objectives. Consequently the advertiser must determine the buying motives of his prospective customers i.e.., what they hope to gain through purchasing before selecting sales appeals.

It is apparent that the advertisers'• choice of sales appeals will depend on the particular role assigned to advertising in the firm's promotional strategy, the audience to which they aie directed, and the unique characteristics of the featured product. With this kind of direction, the advertiser can formulate sales appeals to which his audience is sensitive because they can relate them to thei" problems and responsibilities.

> ***Check your progress***
>
> 1. Phrases such as _______ must represent a significant amount in relation to the price, savings or product feature described

3.3.7 Message

"Message" is used here to describe both the printed copy and artwork in published media as well as both picture and sound in broadcastmedia. Two of the more pervasive issues associated with the advertising message are its formulation and policy concerning its content.

3.3.8 Formulation

The message of a well-designed advertisement for an industrial product generally contains a sequence of element. A short headline presents an interesting or intriguing idea with enough significance to the reader that he will want to pursue it further. An explanation of implication of the headline then develops a limited number of specific appeals, which are designed to show the potential user that the product or service can be useful to him and will fulfill an actual need. The message then describes the distinctive features, of the product offering evidence of its desirability and proof of the claims made for it. Finally, the reader I urged to take some action, and, where feasible, specific courses of action are suggested.

It is clearly essential that the copywriter have a precise definition of the audience (of audiences) the advertising must reach. He needs to know what part its various members play in making or influencing the purchasing decision and the kind of information concerning the product and the supplier

that each of them will find helpful in the process of decision. Furthermore, the writer of advertising copy should be familiar with the language of his audiences. Engineers, plant managers, and technical researchers are accustomed to technical language and probably prefer it, whereas other managers who are not so technically oriented may prefer plain English.

3.3.9 Policy

Sensitivity to the risks involved in fraudulent advertising, both legal and economic, as well as cognizance of the problems of management control in large organizations, has produced stern rather strict polices regarding the content of advertising messages. The policy statement of a manufacturer of office and data processing equipment is fairly typical.

1. All claims with respect to performance and money-saving must be capable of being substantiated, and must be relevant to a prospect's business requirements.
2. Phrases such as "more than" or "less than" must represent a significant amount in relation to the price, savings or product feature described.
3. When testimonials or case histories are used, they must be strictly factual and supportable, with names available on request.
4. At all times, the prospective customer must be given an hones evaluation of what the product represents and how it performs.
5. All promises, stated or implied, must be capable of being fulfilled.
6. Illustrations must be such that the product is shown realistically as to color and size-in a setting which can be characterized as a "standard" business atmosphere, or if not, just silhouetted.
7. A premium must never be used as pure inducement to buy. Premiums, when justified, for one reason or another, should at all times be relevant to the market and low enough in cost so that they may be considered an attention-getter rather than extraneous inducement.
8. Promotion which might compromise the integrity of (the company) must be never be allowed to be mailed.
9. The light-touch approach is acceptable, but only if it can be described as "humor is good taste".
10. Advertising copy with unsupported comparisons- "better" – "faster"- "cheapter" etc., must be avoided.

11. Every promotional piece should be created with each of the following qualities in mind; integrity, good taste, good judgments, honesty. In order to assure adherencet to this policy all advertising is reviewed by the following on a regular basis; Director of Advertising, Divisional Vice Presidents and Marketing Directors, Assistant General Counsel, and Vice President for marketing.

3.4 MEDIA

Marshall McLuhan has said that the medium is the message, implying that the vehicle through which the advertisers message is carried to its audience has something to do with the effectiveness of the message itself. Indeed, "massage" may be a good description of the contribution of the media. Each medium "rubs" buyers a different way, consequently, the advertiser must select media, which reach the proper personnel in the customers organization with the proper frequency and with the proper "massage". At times, reaching the proper company personnel with the proper frequency may be considered important enough that the media are chosen before tile message is formulated. In these cases, the massages precede the message, and the copywriter must adapt the message to the media.

For the most part, media selection for the industrial advertiser is confined to trade journals, general management publications, catalogs, direct mail, and exhibits.

It is observed that some of titles items such as catalogs and exhibits are commonly regarded as sales promotion devices are included in many industrial advertising budgets, because coordination between advertising and sales promotion is so important that the two are often handled by one organizational unit, usually the advertising department. Another marketing budget the typical industrial firm spends for advertising and promotion, usually one or two percent of sales. Unless a firm is very large, the total amount it involved in either of the two is not enough to command and interest and justify the expense of a to-notch executive when they are joined together, this difficulty is diminished.

Newspaper, billboards, national consumer magazines, radio, and television are of very limited usefulness. In rare cases, an industrial goods manufactures may find it useful to place an advertisement in a newspaper for example, in the business or real estate sections of the Sunday edition. A few equipment makers maintain displays in airport terminals and some have made limited use of outdoor, i.e., billboard, advertising. But these are clearly exceptional cases.

The choice of media is of course complicated by the number and variety of personnel who influence buying decisions in the typical customer firm. Top management reads one type of publication, operating management, another; design engineers, still another; purchasing officers have their own professional journals; and foremen, supervisors, and factory superintendents look to publications that deal with their peculiar problems. Some journals appeal only to people in the one industry buy try to offer wide functional coverage within that industry. The editorial and news content of others is directed to one functional group in all industries. Some publishing houses research their readership regularly and can supply advertisers with reasonably accurate date concerning the distribution of their publications among different functional groups. When this kind of data is not available, it may be advisable for the advertiser to conduct his own research on the question of readership. The standard Rate and Data Service, which supplies lists of trade journals classified by the industries and functional groups into which their readers are distributed, can be very helpful in this task.

3.5 BUDGETARY SUPPORT

The amount of money a firm will spend on advertising may be determined by one of several methods. In principle, money should be spent on all marketing activities as long as each dollar spent adds more than a dollar to gross profit. It follows that this dollar expenditure should be allocated to those marketing activities which promise to make the greatest profit contribution. Unfortunately, this is easier to advocate than to do, because it involves a number of variables, most of which are unknown. Sometimes, though, it is possible to quantify these variables. When this can be done, mathematical techniques are available which enable maximum contribution to gross profit. But the result is still uncertain, since it is based on numerous assumptions about factors which are them selves uncertain.

When the purpose of advertising is related to something other than current profits, the principle is also clear. Advertising should be allocated the budget appropriation necessary to accomplish its purpose provided this amount is less than would be needed to accomplish the purpose by any other means. If the purpose can be achieved in part by advertising and in part by some other activity, advertising should be allocated the amount needed for that part of the total undertalcing it can do most effectively and least expensively. This is also very difficult to do in practice. But even though the principle can rarely

be applied with anything approximating precision, decisions based on sound principles are more likely to be sound decisions than those which are reached in the absence of any conceptual construct.

As one might expect, what usually happens in practice represents a compromise of sorts. Some firms determine advertising expenditures on the basis of a fixed percentage of sales. The surveys of advertising budgets conducted annually by industrial Marketing magazine and reported in the February issues indicate that between 15 and 20 percent of the reporting firms determine their advertising budgets in this manner. In some instances the sales forecast is the base to which the fixed percentage is applied, in others the base is last year's sales.

Although neither has much to commend it, budgeting a percent of expected sales can be more easily defended than using last year's sales as a base. Both are reminiscent of the mid-19th-century admonition of a Saturday night bat, without regar to time or urgency of need. Neither gives any assurance that either the percentage figure chosen or the base to which it is applied is the one that will result in the greatest profit to the firm or will make the most economical contribution to its non-profit objectives. Much the same can be said of the practice of budgeting a determined percent of profits last year's or expected. This practice is probably based on a vague notion that it is a good idea to spend as much as possible on advertising, but not enough to seriously reduce profits.

Slightly more than 40 percent of the firms reporting in the industrial marketing survey base their advertising budgets on the task method. Under this method management first decides what functions or tasks are to be accomplished, cost estimates would be prepared for each and management would decide which tasks or combination of tasks were worth the cost, and within the limits of the firm's financial resources.

This method has far more to recommend it than the fixed percentage techniques because it forces a determination of advertising's role in the promotional strategy. It involves the process of matching the worth of what one wants to do against the probable cost doing it. This is an essential feature of business planning. Moreover, it recognizes that objectives rather than serving as a function of sales or profits, which by implication is its role under the percentage method.

The industrial Marketing survey also indicated that about 40 percent of

the reporting firms determine their advertising budgets by a combination of the task and percentage methods. The survey offers no information regarding the manner in which the two methods, with an upper-limit imposed by division or corporate-level management in the form of a maximum percentage of expected saleson the amount that can be spent. Whether or not the combination method is really superior to the task method used alone depends on the way the maximum percentage limit is set. If it is arbitrarily fixed and not subject to change, the superiority of the combination method is at least debatable. On the other hand, if the percentage is varied is response to changing circumstances and the changes systematically studied, the combination method clearly has real merit.

3.6 RURAL ADVERTISING IN INDIA AN INTRODUCTION

Among all the elements of marketing mix, promotion has received adequate attention of manufacturing and marketing men. Apparently promotional measures adopter by various companies is one of the factors which has probably result in tremendous growth of rural market. This was the observation of ORG Survey along with the other factors With the expansion of broadcasting network, which now covers about 90per cent of the population in the country, the opportunities for promotion of products in rural areas have opened up. Many companies have taken advantage of this facility. According to Government Statistics the telecasting stations cover more of rural population than urban population, given the radius of area in which the programmes can be seen. While the reach of this medium cannot be questioned, the issue is of the number of rural consumers having access to a television set for viewing. The access may be limited to higher strata of rural consumers who own television sets and to those where community television sets are available. This issue merits consideration, if this medium is to be used. Apart from television, the other rural promotion measures adopted by different organizations are worth consideration.

Brooke *Bond*, a major tea marketing company, periodically arranges for an elephant march through the villages. The elephant carries giant size cartons of tea packets, accompanying band plays popular tunes and the procession marches along. This attracts the attention of rural consumers and creates product awareness amongst them. ITC also adopted an innovative promotion campaign for their newly introduced low priced 'Hero' brand of cigarettes. Their promotion strategy is a three day affair. On the first day a person on a

cycle or cycle or cycle rickshaw or auto rickshaw goes through the villages announcing on a public address system 'Hero as raha hai' Hero is coming. This is primarily to create interest and arouse the curiosity of the consumers. On the seconds day an elephant draped in a large sheet with the logo of Hero and a huge cutout of the Hero cigarette packet goes through the villages distributing free samples of the product to induce trial. The third day sees a video van coming into th- village playing popular movie songs to attract crowd. The three day promotion campaign was initiated in Uttar Pradesh and Bihar in October 1993 to begin with. During a very short period only the sales of this brand of cigarette reached a level of 175 million cigarettes sticks. Encouraged by the response in Uttar Pradesh and Bihar, the company extended the marketing of Hero to other parts of the country as well.

The rural video promotion has been made simpler by agencies like, Video Express and Video On Wheels. These agencies have a fleet of vans equipped with the necessary audio and video systems In fact these agencies also have data on rural areas and are in a position to make suggestions about rural van promotion measures. On the vans can be painted the product and brand name as per the company requirement. The vans also have a provision for the company's salesman to stay, carry stocks for immediate distribution and sampling, and carry product literature in addition to audio and video facilities. If a company cannot afford the cost of the vans, it can be shared by two or more companies. The rural video promotion has been made simpler by agencies like, Video Express and Video On Wheels. These agencies have a fleet of vans equipped with the necessary audio and video systems In fact these agencies also have data on rural areas and are in a position to make suggestions about rural van promotion measures. On the vans can be painted the product and brand name as per the company requirement. The vans also have a provision for the company's salesman to stay, carry stocks for immediate distribution and sampling, and carry product literature in addition to audio and video facilities. If a company cannot afford the cost of the vans, it can be shared by two or more companies. These vans normally draw a schedule of visits extending over a period of about 25 days during which, as many villages and shandies as possible will be covered. Normally the vans spend the day time in a shandy, if available and the nights in villages. Such professional rural promotion has been used by many leading companies. There are also other smaller agencies operating at regional levels. Rural van promotion was extensively used by HMT for their watches and bulbs and by Karnataka soaps and deter-

gents limited, while MSIL were the marketing agents. In the case of rural areas it should be remembered that the cost per viewer WHI be high as compared to urban areas since the rural consumers are highly spread out.

Colgate-Palmolive has also used van promotion in rural areas. Their main objective was direct customer contact, demonstration of the product, sample to consumers and spot sales. This was done sometime during 1967. The campaign was more for selling a concept kof 'Oral Hygiene to the rural consumers than the product itself. Apart from going to the villages, they also selected places of mass gatherings like shandies. The younger children were asked to brush clean their teeth with the paste/powder and tell others about the feeling of freshness they experienced. In the meantime, the salesmen approached the village shops and motivated the shopkeepers to stock their products. From the various experiences it appears that van promotion in rural areas has proved effective and can be used further also. Either the companies can operate their dealers and stockists. They could even engage professional agencies like Video Express or Video On Wheels for rural promotion activities.

In the case of consumer durables also, similar promotional measures are adopted. Another variation in promotion strategy is the one adopted some time back by MRK ltd manufactures tractor tyres and Animal Drawn Vehicle (ADV) tyres which are also used in rural areas. They organized tyre clinics called the Tractor Owners Meet (TOMEE). The idea behind TOMEE was to assemble a group of farmers, who owned tractors, at a particular place. For the purpose the company identified pockets of tractor concentration and collected the addresses of tractor owners in a ten to twenty kilometer radius with the help of tractor dealers. The operation was repeated at several places, so that a larger area was covered. The date and location of TOMEE was decided and the sales force was asked to convey the same to tractor owners in that area and invitated them orally or through printed invitation. Ideally, it was extended that about 150-200 farmers would attend the meet and so the invitation was extended to 300 to 400 farmers. At the site a sharniana was erected with MRF banners, and tyres were kept as exhibits. A few local tractor and tyre mechanics were also made available on the spot for help and advice. The meet-was normally held in the evenings. The typical programme followed was:

Tea and snacks

NOTES

- Inauguration
- Sales promotion
- Projector film show/slide show
- Actual Demonstration
- Open house discussion
- Vote of thanks

The topics covered during the meet relate to:

- Tractor maintenance
- Kinds of damages likely to occur to the tyres
- Identification of defect free tyres at the time of purchase
- Their entitlement to get a replacement if any manufacturing defect is noticed.

> ***Check your progress***
>
> 2. The light touch approach is acceptable, but only if it can be described as
>
> ________

Such meets were conduced extensively to cover as many farmers as possible. Herein local tyre and tractor mechanics played an important role. It should also be noted that during this promotion activity, the talk may not necessarily be about MRF tyres, despite the posters and banners put up at all places. In a way this could also be considered as a generic promotion of tyres. Such examples can be successfully emulated by other consumer durable manufactures and marketing men in rural market. Finally, in the case of consumable items, it is not uncommon to find point of purchase (POP) promotion materials in rural shops. Either POP materials are supplied to the shops when the distribution vans visit the villages or they collect the same when they go for purchases. One can find wall posters, paintings, danglers in rural shops also.

To summarise, there has been a concerted effort on the part of manufacturers and marketing men to sell products specifically designed for rural market. The brand awareness created by these products has given rise to a number of imitation products sold at a cheaper price, In addition, regional branded and local unbranded products also thrive in rural market. The distribution mechanism takes care of villages with at least a population of 5,000 persons and the rest are left to make their own arrangements for procurement and sale. The policy with regard to distribution varies widely from company to company. Several innovative promotional measures are adopted by various companies in rural areas. Van promotion in rural areas by both owned and hired vans, is widely adopted by companies to create awareness for their products consumables and consumer durables.

3.6.1 Promotion strategies

Given the literacy rate of the rural population and distribution of the rural consumers, the promotion measures or strategies to be chosen should be cost effective. In, addition, consumable products may warrant the use of mass media, since the target consumers are very large, but the durable products will require personal selling efforts because of the smaller size of target consumers. Due to the low level of literacy, a buying decision in rural areas not only takes a longer time, but also involves outside influences. Word of mouth is an important message carrier in rural areas and 'Opinion Leaders' do play a significant role in influencing the prospective rural consumers about accepting or rejecting a product or a brand. In fact the opinion leaders have played a very vital role in the diffusion of technology in agriculture. In this context, the experience gained by the agricultural inputs industry can act as a guideline for marketing consumables and durables. Social marketing also plays an important role in promoting the image of a company.

In this section on promotion, the relevance of mass media is examined, which is followed by a discussion on personal selling and selling through opinion leaders. Toward the end the importance of social Marketing is also dealt with, in the context of rural marketing.

(a) *Mass* Media In the present world mass media is an all powerful medium of communication. It could be television, cinema, print media, radio and so on. It is necessary to examine the suitability of each to rural areas for promotion and communication purposes.

1. Television As of now, Doordarshan telecast network nearly covers the entire country. In addition there are a number of satellite channels in operation, telecasting programmes in regional languages which can be satellite channels in operation, telecasting antennae and cables. While this medium is already very popular in urban areas, it is expected to catch up in rural areas also, There are more than 200 Doordarshan broadcasting stations equipped with different capacity transmitters spread throughout the country covering nearly 95 per cent of the population. Since the urban population is only 24 per cent, the rest 70 per cent is obviously the rural population. The main advantage of this medium is that it is both spoken and visual, unlike the print media or radio. Television has proved very advantageous in communicating with the rural people due to the law literacy levels. The question that draws attention is the ownership of television sets in rural areas and also the programme viewing habits in rural areas.

According to the ORG-National Readership Survey, it is estimated that 31 per cent of the rural population (only adults are considered) views television. Of adult viewership, 35 per cent are regular viewers, seven per cent frequent viewers and the rest 58 per cent occasionally watch the T.V. The region wise variation in television viewing is as follows:

East	23 per cent
North	37 per cent
West	39 per cent
South	26 per cent
All India	31 per cent

Western and Northern regions have higher viewership than the All India average, while in Eastern and Southern regions the viewership is less than the All India average. The number of rural viewers will be on the increase in future, with the commissioning of more community television sets in rural areas) more regional language programmes and improvement in software.

The software is the main motivating factor in television viewership. It is very important to know about the popularity of programmes viewed by rural persons. In rural areas, the following programmes attracted more viewers:

Mahabharat	82 per cent
Rangoli	73 per cent
Chitrahar	66 per cent
Hindi films	61 per cent

The inference that is deduced from the above viewership pattern is that it is not just sufficient to have a wider coverage by telecast network, but the popularity of software decides the viewership. Thus on this media the timing of the advertising and message dissemination has to be appropriately chosen. The audience of these pogrammes is large and hence the cost per viewer can be low. Most of the messages of National concern on Family Welfare and Literacy Campaign by the Government are telecast before the popular programmes with rural characters. Hence the roe of this medium cannot be underplayed as it offers immense potential for communicating with the rural consumers.

2. Cinema Like television cinema is also a potential medium. The cinema halls are spread out in rural areas also, but unfortunately the number is smaller nd most of them are temporary structures in the sense that shift from

one place to another at periodic intervals. According to the ORG-National Readship Survey, 36 per cent of the rural adult population have the habit of viewing cinema even though the frequency varies widely. Among the rural viewers, 10 per cent go to cinema once a week, another 33 per cent once a month, 22 per cent three to four times in a year and the rest 35 per cent less frequently. It is interesting to see the regionwise trend of cinema viewing and distribution of the viewers among the regions. The following Table presented this information.

Table

Cinema Viewing

Sl No.	Regions	Proportion of Rural Adults of Viewing Cinema (%)	Distribution Viewers (%)
1.	East	29	24
2.	North	24	17
3.	West	23	13
4.	South	76	46
5.	All India	36	100

Almost three-fourths of the rural adult population view cinema in the Southern Region, which also account for nearly half of the cinema viewers in the country. The obvious inference form the above Table is that as a medium for promotion, cinema is ideally filited for Southern region, while in that other regions it is of very limited utility. Probably this may be one of the reasons for the low viewership of television in southern region, which was just about 26 percent. Rural people in south probably prefer to see cinema to revision.

Advertising in cinemas either through slides or advertisement films will cost less compared to television. Probably the strategy could be to use cinema in South and television in other regions. The reach of advertisements, both television and cinema appears to be encouraging.

3. Radio As one of the oldest and potential media used for communication with farmers and for diffusing agricultural technology, radio has yielded significant results. In addition, other social messages on immunization, health, education, etc., are aired on this medium extensively. There are specific programmes for agriculturists like 'Farm and Home Programme' or Krishi Dorshon in all regional languages, which are broadcast on the primary channel. These programmes are very popular among the farmers. With regard to this medium the ORG-National Readership Survey indicates that 32 per cent of the rural adults listened to primary channel, while 24 per cent listened to Vividh Bharati channel. The frequency of listening to radio in rural areas is as follows.

Table

Frequency of Listening to Radio

Sl No.	Frequency	Primary	Vividh
	Channel (%)	Bharati (%)	
1.	Regularly	73	75
2.	Less often	8	7
3.	Occasionally	19	18
4.	Total	100	100

From the Table, it appears that the rural adults listen to both the channels of radio very regularly. Given the reasonable price of a transistor radio, it can be inferred that, most of the rural families own a radio set. The ownership pattern of radios in rural areas has enabled regular listenership. Hence it is obvious that radio is also a high potential medium of communication with the rural people, in spite of the drawback that it is only audio. Probably it is also more cost effective.

4. Print Media

The relevance of print media for rural communication needs careful examination. The literacy levels are low in rural areas as compared to urban areas Yet, given the size of rural population, the number of literate persons

are very substantial in rural areas. Print media consists of a wide variety of items Newspapers (dailies), periodicals (weeklies, rriothlies) and also the literature, pamphlets, booklet produced by manufacturers and marketing men. But the reading habit in rural areas appears to be very poor. The ORG National Readership Survey indicates that, only nine per cent of the adult population reads something or other. Due to the lack of reading habit the reach of the print medium appears to be poor in rural areas. According to an estimate, only about five per cent of the publications like dailies, weeklies or monthlies reach the rural areas. This may be the main reason for poor readership in rural areas, coupled with affordability. This does not lead us to the conclusion that this medium is totally unsuitable for rural communication. The region-wise readership and the distribution of readers among the four regions reveal very interesting facts. Table presents the above information.

Table

Region-wise Readership

Sl No	**Region**	**Readership Readership (%)**	**Distribution of**
1.	East	4.0	13
2.	North	7.3	20
3.	West	6.8	16
4.	South	18.3	51
5.	All India	9.8	100

Nearly half of the readers in rural India are in Southern region and also the readership is twice that of All-India average. It is seen the vernacular dailies and periodicals are very popular in southern region. Among the states, Kerala has the highest readership at 53 per cent in rural areas, followed by Tamil Nadu, at 16.1 per cent. The lowest leadership in Bihar, which is just 2.6 per cent. It is well known that Kerala is the first state to declare cent per cent literacy a couple of years ago. Further, the regional newspapers, like 'Malayala Manorama' in Kerala and 'Dina Thanthi' in Tamil Nadu are very popular among all sections of populations. So print media offers potential to communicate with the rural consumers where the literacy rates and the reach of the local popular vernacular dailies or periodicals are high.

The other means of mass media available are discussed below:

(b) *Hoarding/Wall paintings* This is also highly suitable for rural areas' since the hoarding or wall paintings can include visuals with minimum write-up. This has been widely used in the case of agriculture inputs. It has also been observed that rural persons have more time to see and watch the hoarding than urban persons.

(c) Shandies/Hats/Jathras/Melas As discussed earlier these are places where people form the hinterland villages congregate on the preappointed day or period as a rule. These are places were there will be a captive audience for a fairly long period and it is certainly beneficial to promote with the help of an outdoor mobile publicity van with audio/video equipments. If needs be, sales can also be effected from such mobile vans, especially consumer items. Professional rural promotion van operators like 'Video on wheels' and 'Video Express' and the companies like fertilizer manufacturers operate their own promotion vans. Normally these mobile vans spend the day time in shandees and then move to a nearby village in the evening, so that the nights can also be used effectively for promotion. This method of promotion is very popular with several companies these days.

(d) Nonprice Competition Several fertilizer companies successfully adopt this technique as a promotion measure. They provide free soil testing through their mobile soil testing vans and educate the farmers on agro-techniques. Soil testing helps the farmers in knowing the nutrient content in the soil, so that they can decide upon the quantity of nutrients to be applied externally and similarly supply of agrotechniques educates them on various operations to be done at proper times. This has been used to some extent in urban areas also especially in durables marketing. Many companies organize 'free servicing week' for durable products. This can be considered as a nonprice competition measure assuring the owners of such durables that the company still remembers them. Reusable packing also falls under this category. Without reducing the price, the consumers are given extra benefits, under this category. This will better appeal with rural consumers in the light of their low purchasing power.

(e) Special Campalgns During crop harvest and marketing seasons, it

is beneficial to take up special promotion campaigns in rural areas. 'Tractor Owners Meet' (TOMEE) conducted by MRF Ltd is one such example, Brooke-Bond carries out marches in rural areas with band, music and caparisoned elephants to promote their brands of tea. The procession just goes through the villages, so that the people are made aware of the product. Colgate-Palmolive's rural promotion campaign on 'oral hygiene' also falls under this category. Appropriate timing of these campaigns is more important since the promotion should not only result in awareness but also in adoption and purchases. Most suitable and appropriate timings for such campaigns would be the peak harvest seasons when the farmers will be selling the crops and consequently have sufficient disposable incomes.

(f) *Other Mass Media* These apart, many agriculture input manufacturing and marketing men have adopted several innovative promotional measures in rural areas. These examples are worth being considered for promotion of consumable and durable items also, depending upon the suitability. Some of the promotion measures adopted by agricultural input marketing men are:

- Hand bills and booklets
- Posters
- Stickers
- Banners
- Result and method demonstrations in farmers' fields
- Training Programmes for farmers
- Organising farmers clubs and meetings
- Gift Schemes
- Village adoption programmes
- Agro-techniques for crop cultivation

These promotions have been found quite useful and effective.

(g) *Personal selling and Opinion Leaders* In the context of rural marketing, this approach is necessary for both high value consumer durable items and capital agricultural inputs. In the case of consumable items, a rural consumer can risk trying a product, since the investment is low. But in the case of High value durable items, decision making on the part of rural consumers is time consuming.

First a decision has to be made with regard to the product and then the brand choice has to be made. In such cases personal selling and opinion leaders playa major role. It has been found by experience that the rural consumers do not decide on the basis of information provided by the companies or their advertisements. They prefer to consult others who actually possess the various brand of the products and also get their experience in using them. This actual experience of other actual uses significantly influence the buying decisions in rural areas. In personal selling it is required that the potential users are identified and awareness is created among them about the product, its features uses and the benefits that could accure to them by using the product. This can be achieved only by personal selling by highly motivated sales persons, in addition the sales persons require enormous patience since the actual buying decision takes a long time. The efforts of the sales persons have to be supplemented by the influence of the opinion leaders in the village.

For example in the case of tractor purchase, the buying decision process followed by a farmer was found to be highly complicated. Once a farmer feels that his farming operations justify the use of a tractor, In this process he learns about various brands and their performance in the field. The farmers who really need a tractor have, large size land holding adequate irrigation facilities, early adopters of technology, growing multiple crops, facing the problems of catching up with seasons and transporting the harvested crops to the market. In fact these are some of the typical characteristics of potential tractor owners since these factors warrant the usages of a tractor to be more efficient. While a lot of information is provided by the company and their salesman, the potential buyers of tractors start observing and checking with the other farmer colleagues, who already possess and use tractors. It is interesting to see the attributes on which the potential buyers try to obtain information from their colleagues. They seek information on the following lines:

- Trouble free operation
- Fuel economy
- After sales service facility
- Availability of spares
- Re sale value
- Costs associated with maintenance and repairs

Lead time for delivery

Training in operating the tractor

The experience with different brands

Sources of credit and availability.

Whatever the company may claim and offer, information on the above lines collected from the colleagues plays a major role in decision making. In fact, 'this word of mouth' information holds a lot of validity in rural areas even today. This is the reason why 'opinion leaders' and 'word of mouth' are thriving among rural consumers. A similar decision making process will be applicable to the consumer durables like mopeds, watches, radios, and other durable items. While personal selling gives the required information to the potential users, this alone is not sufficient for the rural consumers and they place more emphasis on the experiments of others who use different brands of the product which has a definite influence on the purchase decision. 'Opinion leader' in rural areas can be defined as a person who is considered to be knowledgeable and is consulted by others and his advice is normally followed. The opinion leaders may be big landlords, or politicians or progressive farmers or persons belonging to higher castes or teachers or the village level workers (VLW). There could be different opinion leaders for different purposes also. Hence, in addition to personal selling, operating through the opinion leader also becomes important, especially in marketing durables to rural consumers. Thus personal selling has got to be supplemented with 'opinion leaders' and 'word of mouth' in rural marketing.

(h) Social Marketing: Social marketing now holds an important place in the activities of many companies and is viewed as a social obligation. This concept was introduced in the early seventies and applies the marketing principles and techniques to sell a social cause or idea or behaviour. Kotier defines Social Marketing as follows";

"Social Marketing is the design, implementation and control of programmes, seeking to increase the acceptability of a social idea or cause in a target group(s). It utilizes concepts of market segmentation, consumer research, concept development, communication, facilitation, incentives and exchange theory to maximize target group response".

This is also known as social Cause Marketing, Idea Marketing or Public Issue Marketing.

Check your progress

3. Advertising copy with ______ must be avoided

3.7 ADVERTISING CHALLENGES AND OPPORTUNITIES

3.7.1 Emergence of New Media Options

What the regular hikes (on an average two or three times per year by the national English dallies and also by Doordarshan) in media rates, large advertisers are increasingly turning to other media. One of the most attractive strategies has been to sponsor spots events, music festivals and other cultural programmes. Traditional festivals like the Kumbhmela, Ganapati, Durga Puja, Pongal and Onam are also being sponsored or exploited for massive ad campaigns. In Bombay, the Ganapati festival and the Dassera "garba-disco" nights are occasions for the dazzling display of banners advertising retailers and even national manufacturers, for instance, sponsor the Indian Derby, and ITC, the tobacco company, several sports events like the Asian Track and Field Meet.

The great advantage of sponsoring sports events is that it involves the company in the life of the community. It creates the impression that the community is concerned and will patronize what is good for the community. It is excellent public relations and subtle advertising working indirectly to give the company a reputation for social concern and social welfare. This is more so when a company sponsors a sport that has nothing to do with its products. Nothing sell like sports.

Once relegated to the ghetto of cigarette, beer and auto companies, sport marketing has taken a firm hold on the corporate world. The big three in the business of sports are: The International Management Group (IMG), Proserv and Advantage International. IMG has the largest clientele, besides being the world's largest in independent source of televised sports. In India, Professional Management Group (PMG) of Gavaskar is working in this field. Besides sponsoring sports and cultural events, several companies take pride in entering their own hockey, football or cricket teams in state and national competitions. Thus the Railway and the various banks are known to have good teams. Tata sports Club is, for instance, in the top football and hockey leagues; so are Mafatlal, Maindras, are DCM, Orkays.

3.7.2 Non-traditional Media

The Therukoothu in Tamilnadu, and the Tamasha (streetplay type recreation) of Maharastra can be used as media for rural publicity. Magic shows have been used to promote the banking habit. Tea-stalls have been used as points for the bankers and customers.

INTER – MEDIA CORPORATION

NOTES

T.V Merits	Radio	Press	Outdoor	Cinema
i) Creative Flexibility	i) Local and friendly	)Long life	i) Long life	i) Captive and relaxed audience
ii) Easily linked to	ii) Low cost	i) Editorial environment	ii) Colour	ii) Easily absorbed
iii) High impact	iii)Regional selectivity	ii) Interested audience	iii) Point of scale	iii) High concentration
iv) High and rapid penetration	iv) Direct sell	v) Colour	iv) Localised/national	iv) Regional selectivity
v) Easily absorbed	v) Good for young	v) Selectivity (Targeting)	v) High frequency	
vi) Regional selectivity	vi) Immediate	vi) National medium	vi) Low cost	
	vii) Easily absorbed			
Demerits				
i) Transient nature	i) Non –visual	)Limited regional flexibility	i) Low impact	i) High production cost
ii) Limited targeting	ii) Transient nature	i) Effort to absorb	ii) Whether /vandalism	ii) No uniformity
iii) High Production	iii)Creative limitations cost	ii) Long copy dates	iii) No editorial	iii) Limited coverage
iv) Message restrictions	iv) Limited reach	v) 2 dimension and static	iv) Creative limitations	•
	v) Limited targeting			
	vi) Not national			

3.7.1 Specialty Advertising

This type of advertising involves imprinting the sponsor's name or even a short ad message on novel or useful articles. These include calendars, pens, pencils, desk-pads, paper-weights, ash-trays, drinking cups and glasses, diaries, shopping ' ıgs, memo pads balloons, rulers, key rings, small gift items and a host of other articles. The main purpose of specialty advertising in the reinforcement of brand names of messages already seen in other primary me-

dia. The great advantage of these apparently minor media is that they are low cost and effective remainders of the company's name. Waste in such advertising is usually minimal since carefully selected articles can be handled to target groups. The video news magazine is a phenomenon unique to India. It is basically a video cassette of news which could be subscribed to or can be tired. The need for them was felt primarily because television was state-controlled. Objective news on the visual media was, therefore, non-existent. However, video news magazines would soon become history. The greatest threat to them is by the cable TV.

India's first news magazine Newstrack was born in the aftermath of Mandal agitation in 1990. The number of duplicated cassettes was an all time high of 10,000. It spawned others like eyewitness, Observer channel, Business Plus and India view. The first signs of doom were felt when CNN arrived on the scene in 1991 in a wake of the Gulf War. It was a matter of time since then before the cable TV took over the home video market. The launch of Star TV in May, 1991 delivered a death blow by launching five channels in a matte of months. Newstrack's duplication figures have dipped to about 6000 since Aug. 1990. Advertisements are difficult to come by and they are harder to get. Ideally, to break even, commercials should take 10 p.c of broadcast time. They are getting much less.

3.7.4 Invasion from the skies; Satellite Transmission through Cable Network

The battle for the skies in India has just cheapened. The first to invade our air waves after CNN which covered the gulf war was Star TV. So far Star TV was restricted to English speaking viewers, who constituted about 8 percent of our population. However, the rules of the electronic medium have changed with the launch of Hindi channel called Zee TV from October 2, 1992. Zee Tv has also started EL TV, a Hindi channel. It has recently started Music Asia – a music, educational and teleshopping channel. Star TV has an audience of 1.3 million in India itself which is increasing at a rate of 10,000 viewers every day. Besides, it is watched by 20 million NRI's and other Hindi-Urdu speaking audiences in 38 countries covered by its footprints

We have as many as 35 channels in India now. These include: ESPN, Cartoon Network, including Sony TV, Asianet in Malayalam, Sun TV in Tamil, Sun Music, K TV, E TV, Vijay etc. There are cable networks like Siti Cable of Zee and in Cablenet of Hinduja, SCV of the sunnet work. Star Tv so far has an affluent up-market image. Doordarshan has started several satellite chan-

nels in regional languages. DD Metro is available as a satellite as well as terrestrial channel. DD has still highest reach and penetration.

Most of the viewers who switch off the DD at 10pm since cable operators beam a film around that tim are tapped by zee Cinema who screpn Hindi Movies. Hindi film industry is gearing itself to meet the production requirements of these networks.Star TV and BBC have been criticized for frequent returns. The English Channels run dry so fast. Imagine how difficult it is going to be constantly supplying Hindi Programes. Zee Tv not only commissions outside producers, but produces its own programmes. Many fly-by-night operators will be forced to wind up in this intense competition. Till the time, private operators have software, film software is naturally going to be in demand. In future if direct broadcast satellite transmission becomes a possibility, the world will become truly a "global Village1!"

i. Future of Satellite TV

We will encounter many new terms like digital compression, addressable cable systems, fibre optic cables, kuband, c-band, decoders, positive and negative traps, set-top convertors, pay-per view, CD-ROMs, video-on-demand, MMDS. The number of Channels will increase four to five times. The programms will be more innovative, realistic and true-to-life. A little card put into a slot of the TV set will give us the option to select any channel or to blank out any channel. The households will be put on information high-way. The production studios will be state-of the art. There will be major career opportunities to talented people in the electronic media. The media will affect our current life-style and sense f values. Each channel will have its own segment of audience. There will be niche channels like business, music and travel. General entertainments channels in Hindi-English will be broad-based. The fittest will survive possibly.

Advertisers and agencies will be able to direct their messages to homogeneous audience groups. There will be less wastage. Electronic media will become cost-effective. Print media will brave this onslaught as it has elsewhere in the world. Its market share in the total ad spends however, will decline. But the total size of advertising revenue will grow and therefore, the press will continue to show growth in ad collections.

There was a magazine boom in the late 70 and early 80.Many business magazines, sports magazines, film magazines, computer magazines, other specialised magazines and special interest magazines will appear continue to

on the scene. In electronic media, there will be a handful of general entertainment channels, and a large number of special interest channels. In all there were three waves in the media scenario. The TV-led revolution in India with DD as the main player was the first wave. The second wave appeared with the arrival of STAR TV: Within half-a-decade of the second wave, we are at the door-step of the third wave consisting of interactive TV programmes.

ii. FM Channel

FM has been around since 1977, but it was activated in 1992. FM is short for frequency modulation. It is essentially a local channel with a reach of 70km. radius from the place of transmission. The concept is still new to most people. FM has been thrown open to private producers from 15th August, 1993. Privatisation of FM channels in the four metros is one of the best things to have happened to this medium. For radio, FM has been the kiss of life. Though radio was not pronounced as dead, but in urban India it was as good as dead. It can transform a faceless mass of listeners into more clearly defined groups, with distinct listening preferences and discerning tastes. The chosen three producers in Bombay are: Times TV, Mid-Day Publications and Star Communications. The marketing potential of the channel will depend on its ability to attract the listeners and the advertisers. In rural India, radio is still a powerful medium where it has to play a primary role in advertising, unlike urban areas where it has a supplementary role. In urban areas, according to NRS IV (1990) the radio had regular listenership of 59 p.c as against 60 p.c in NRS III (1983). In urban areas, it is the listening pattern rather than the listership as such has charged. The figures are lowest between 6pm - 10pm (prime time for TV), and highest in the morning between 6am - 10am.

Radio commands presently 5-6 p.c of ad budget. FM channel would be best suited in the beginning for brand building with a specific target audience in mind. Image transfer enhances the attraction of TV's seductive visuals. The audio re-kindles the visual association of a previously viewed advertisement. It is a special back up medium, very suitable if jingles are employed. FM channel's music experience due to its stereophonic qualities, purity of sound and immunity to weather changes would be on par with a live concert enjoyed from the front row.

FM is the ideal medium for niche marketing, which required tailor-made advertising for specific demographic segments. The target audience of FM would be bubble-gum loving teenagers, skating down the pavements or zooming off

in Marutis to the rhythm of rap on their "FM channel." It is for the urban yuppies. The medium has potential for commuters who would use it to fill up their commuting time. Listenership data though available with Audience Research Unit (ARU) of AIR are not readily available. Maybe FM would be not as successful as it is in the West. The software would have to justify the investment in the hardware. There are still no independent transmitters of FM as in the West. Producers only hire time. Still they will enjoy greater autonomy. The programme ratings and the advertising revenue will be the in built regulators of programme quality and content.

iii. Cost Aspects

A licencee pays Rs.6,000/hour for prime time and Rs.4,000 for nor-prime time. This has now been reduced to half - Rs.3,000 and Rs.2,000 respectively. Add Rs.1,500 for the music. (Royalty to the Indian photographic Recards society-(IPRS) or photographic performances (P) ltd - (PPL) who hold the hights to Royathid for to rieced at Music.) Add Rs.3,000 for technology, salaries and other expenses. An hour long show thus costs Rs.10,500. 10-minutes have been set aside for advertising. One minute is reserved out of 10-minutes for social awareness advertising. Thus, advertising time available for sale is 9-minutes, only. In other words, 18 advertisements each of 30 seconds can be accommodated in an hour.

This is a high target. Besides the tariff card should be modest, considering the limited range of 40 kms. and listenership. Supposing a 30-seconder costs Rs.500 at prime time for 18 such·spots, the total revenue generated is Rs.9,000. Another estimate puts the production cost of an hour long programme around Rs.6,000. Add Rs.6,000 of the licensee fee to AIR. Studio hiring costs are between Rs.500-Rs.1,000 an hour. The total expenses are thus Rs. 12,500 to Rs. 13,000 per hour.

A five column cm. ad in a tabloid costs Rs.2,000. On FM a 10 second spot is only Rs.750 which is the highest rate being charged. The Times FM charges Rs.250 per 10 seconds. They are looking for sponsors who will take an entire programme for Rs. 13,000 an hour. Currently, the economics may not be attractive. But soon the times will change as the medium attracts advertisers All rates mentioned are only an outline and for exact representation of the tariff changes.

iv. Programmes

Right now, it is a music channel which projects different kind of music. 80 p.c. of the music on FM channel is Westen since it lends itself admirably to stereophonic sound. The target audience is the upwardly mobile youngsters, most of whom are likely to have FM sets. It has rock, jazz, rap, soul music. The other programmes are gourmet's guides, talk of the town, celebrity interviews and phone-ins. For car owners who commute there is regular information about flight and traffic timings.

v. Drive Time Listening

World-wide, the bulk of FM listeners belong to the driving segment-people who use four-wheelers to get to their destination. Drive time to and from office has been identified Radio Mid Day's Good Morning Bombay, 8-9 am every weekday and the Sun Down Show, 6 to 7 pm are examples of drive time programmes. Times FM broadcasts Timeless Classics, 9-10 am and Time Out, 7-8 pm everyday for the drive time. Select Direct uses 7-8am slot in Madras to interact with radio listeners. This segment may show a growth of 40-45 per cent. All premium cars in Bombay will have a pre-fitted FM radio set.

vi. Main Deterrent of FM

Main reach is the main deterrent. Reach levels of programmes are very low. Advertisers are now using FM on an experimental basis.

IMRB Study on FM in Bombay and Delhi:

	Bombay		Delhi	
Estimated households('OOOs)	2,960	100%	1,820	100%
No. with radio / 2-in-ones etc.	1,991	67%	1,154	63%
No. with FM ('OOOs)	1,274	43%	252	14%
Average adults per household	3.8		3.8	
Potential audience for FM	4.8 Mn		1.0 Mn	

The reach of FM increases with affluence. It is also higher in TV-owning homes and more amongst homes subscribing to cable and satellite. In short, out of a total 2 million radio household in Bombay, 1.27million have an access to FM.

i. Main Benefit of FM

Its programming has cultivated a chatty interactive style. The radio substitutes as a friend. This is the key to the come-back of the radio. A DJ(disc jockey) develops a personal bond with the listeners. Switching on the radio is like opening the door to a friend to have a chat.

ii. Internet: Multi-media Option

Videsh Samachar Nigam Ltd. (VSNL) had started offering connections to Internet. Internet is also an important medium to promote products. It has 27,000 sites internationally and 30 millions users. Multi-media offering text, graphics audio and video facilites is the medium of the future. Internet takes a lead over TV since in TV, text is a weak area. Internet is also an active and inteligent medium. Web Browsing makes it so (web Browsing means searching across the net). If a surfer punches in appropriate key words for a particular product or information, the search engine scans the document on the web and makes available all the related data. Internet advertisements can be based on the number of key words etc. If ad's words are the same as those of the giant companies, than that advertisement is given the same priority.

In this media, the consumer comes to the advertiser. Besides, there is no wastage at all since the ad reaches a user only if he is interested in it. Ads for with the Inter-net now in India, the advertising mix could well be redefined. Already, Beanstalk (HCL) is being marketed on Internet. The limitation of Internet is the population of PCs in India (only 1 million). Of course, for global products, Internet may prove to be an attractive proposition. The development of telecom and the access to graphics (now not available in India) will give further fillip to Internet ads. The ads on Internet no longer stares a consumer in the face. He finds them out actively.

iii. Media Trends

PC owners can now avail of commercial on-line services, Inter-net and Prodigy. Here a PC is connected to a phone-line. The consumers can then read a magazine of their choice electronically. They can have access to travel, financial and entertainment information. They can avail of E-Mail, and soctise in chat rooms. Advertisers have put their messages on-line. (eg) Yahoo India's the up with Hindustan Lever's high and electrics product line of lakme and hure PCs are changing the ways ad agencies do business. By 1998, there were 15 million household, to subscribe to at lease one on-line services. Advertising Age estimates that 1% of total budget will be diverted to on-line. This is still

an experimental stage. Interactive Age survey reports majority of people do not like to see ads on computers. Despite this, advertisers are optimistic. The challenge is to create appropriate ads.

iv. New Shopping Experience on Internet

From the comfort of our home, without leaving it, we can shop from the world's largest shopping mall, using digital money. Shops can promote themselves oh the screen to register their presence in the market. The digital money is called E-cash. The whole market is accommodated in cyber-space.

The Internet is good for selling books, office supplies and other products that can be described in text. When we want to shop for other products, perhaps we require a warmer context with pictures and sound. Digital data broadcasting is a better technique than Inter-net. It is graphically rich. The broad brand services if activated will see new grammer.

v. Shortcomings of Internet

a. The PC should become standardised and simple to use as the ubiquitous tele phone. The improvements in technology should not affect the method of its use. Then only Internet can pose any real challenge to conventional media.

b. Bandwidth on Internet presently being narrow, it is not quick as a medium. There is always an electronic queue. The medium thus becomes uncompetitive.

c. TV viewing is a social event. Internet is individualistic.

d. Media cost recovery is difficult on Internet.

e. As the user of Inter-net has the freedom to choose out of thousands of web-sites, it is difficult to motivate him to visit any specific advertising site. Though Internet has a formidable reach, it has this limitation. Besides, it may take too long to break even on Internet.

f. Censorship is very difficult on Internet, despite the availability and use of filters.

It is just possible that Inter-net may evolve as a medium just like tv and radio, and the misgivings being expressed today might not remain cause to worry in future. Internet has the potential to seduce, but no amount of seduction is greater then the seduction of the real life.

3.8 SUMMARY

The expansion of Brand casting networks, covers about 90 per cent of the population in the country, so the opportunities for promotion of products in several areas have opened up. These facilities have been taken advantage many companies. In this chapter we discuss the industrial advantages in India, Rural advertising in India, promotion strategies, and challenges and opportunity for Advertising.

3.9 ANSWER TO CHECK YOUR PROGRESS

1. "more than" or "less than"
2. "honour in good taste"
3. unsupported comparison

3.10 MODEL QUESTIONS

1. Discuss the various issues connected in the advertising of industrial products.
2. What factors contribute to determine the Advertising budget of industrial products?
3. "The two issues of designing the "message" of industrial products advertising are its formulation and policy governing its content". – Discuss.
4. What is social marketing?
5. Discuss the role of personal selling and opinion leaders is the content of rural marketing.
6. "The impact of Doordharshan in rural India is tremendous" – discuss.
7. "Colgate – Palmolive, Brook – Bond Tea, Philips, insurance companies etc have made a real entry into the Indian rural mass". A new multinational company now wants to enter Indian rural market. Suggest suitable media-mix.
8. Compare the various media options available with its merits and Demerits.
9. Discuss the role of "Satellite transmission through cable-network" in Indian urban market.
10. What is the future of satellite TV and FM channel of Radio / in India?
11. What is the role of internet and the shopping experience of internet to the Indian consumers.

ADVERTISERS AND ADVERTISING AGENCY

STRUCTURE

4.1 Advertisers-An introduction
4.2 Unit objectives
4.3 The role of the advertiser in advertising
4.4 How does an advertiser deal with an advertising agency?
4.5 Why do they advertising?
4.6 India's leading advertisers in 2008 by media spend
4.7 Other Leading Local Advertisers
4.8 Advertising Agency-An Introduction
4.9 Functions of Advertising Agency
4.10 Top Management
4.11 Service of a Modern Agency
4.12 Organization Structure of Advertising Agency
4.13 Account Management
4.14 New Business
4.15 Development of New Agency System
4.16 sssAccreditation
4.17 Selection of an Advertising Agency
4.18 Future of Advertising agency
4.19 Summary
4.20 Answer to check your progress
4.21 Model questions

4.1 ADVERTISERS-AN INTRODUCTION

By this time it should have been clear to you that the advertiser is the puppeteer in the puppet show that is advertising. The entire business starts with the advertiser. The rise and fall of advertising business depends solely

on the expenditure incurred by the advertiser. It is the advertiser that maintains the total complex of services and organizations that constitute the advertising business. The expenditure on advertising is a measure of the growth of the economy and the nature and direction of that growth. This is because the advertiser is the sole buyer of advertising and the content of advertising is an expression of the basic character of the economy. Which section of the population does advertising speak to? What message does advertising carry? Answers to these questions provide a picture of the state of the economy and its basic character.

For instance, it is obvious, from the advertising that we are exposed to every day that India is fast moving towards a consumer society. The major advertisers are the manufacturers of consumer products, particularly consumer durables and elitist consumer services. From the audio-visual impact that advertising creates in India today, it is evident that the advertiser is the big manufacturer or the multinational corporation. It is true that they are the largest spenders, but the buyers of advertising are numerous and diverse. Not all of them use the services of advertising agencies, nor do all use the wide range of media available. Buyers of advertising extend from the individual to the massive conglomerate of a wide range of industries and services with production facilities and markets dispersed in different continents.

It is worth having some idea of the different kinds of advertisers, because there might be job opportunities, which, even though not concerned primarily with advertising, might involve buying advertising. Hence, some knowledge of, or training in, advertising can be an added qualification. You might find yourself in the position of a retailer, a trader, running a mail order business, proprietor of a small business establishment or employed in it, or any other individual assignment that might involve buying advertising regularly or infrequently. In this category one might also include executives in business enterprises, which do not maintain, or need to maintain, specialized staff for handling their advertising, or an advertising department. You might find yourself in the position of a sales manager or a branch manager. This is quite common in some organizations, which do not manufacture goods, but are selling agents for goods manufactured by others. They are marketing organizations and market a variety of products. The sales manager for each product might be called upon to handle the advertising of that particular product.

In many such cases the individual responsible for buying advertising might use freelance services of a copywriter and an artist and even the various

services available for the production of advertising material and then go in directly to buy space or time in the media. Such a person might even use the services of the designing facilities available with the media. Others, placed in such a situation, might prefer to use the services of an advertising agency. Such business enterprises might well do without trained advertising staff or a full-fledged advertising department. What I am trying to get at is that it is possible for you to fulfill your desire to be in advertising even without getting a job in an advertising agency or in the advertising department of an advertiser. Job opportunities in advertising are not limited, because the buyer of advertising is practically everywhere in commerce and industry, in government and even in non-commercial social service organizations. This is because everyone who wants to make known what one has to offer for sale, or even voluntary service, and what service or product one wants to buy, has first to buy advertising. You might create it yourself or get the help of experts on payment.

4.2 UNIT OBJECTIVES

- Highlights the marketing part of advertisers
- Evaluation and history of advertising agency
- Analyses the working of advertising agencies
- To know the functions of advertising

4.3 THE ROLE OF THE ADVERTISER IN ADVERTISING

The Advertiser is a puppeteer in the puppet show, that is what you call Advertising. The entire business starts with the advertiser. The rise and fall of advertising business depends solely on the expenditure incurred by the advertiser it is the advertiser that maintains the total complex of services and organizations that constitute the advertising business. The expenditure on advertising is a measure of the growth of the economy and the nature and direction of that growth. This is because the advertiser is the sole buyer of the advertising and the content of advertising is an expression of the basic character of the economy. Which sections of the populations does advertising speak to? What message does advertising carry? Answer to these questions provides a picture of the state of the economy and it's basic character. For instance it is obvious, from the advertising that we are exposed to everyday, that we are a fast moving towards the consumer society. The major advertisers are the manufacturer

of consumer product, particularly consumer durable and elitist consumer services.

From the audio visual impact that advertising creates, it is evident that the advertiser is a big manufacturer or the multinational corporation. It is true that they are the largest spender, but the buyers of advertising are numerous and diverse. Not all of them use a service of advertising agencies, nor all of them use a wide range of media available. Buyers of advertising extent from the individual to the massive conglomerate of wide range of industries and services with productions facilities and market dispersed in different continents.

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> ***Check your progress***
>
> 1. Expand the 'AAAA' ______

4.4 HOW DOES AN ADVERTISER DEAL WITH AN ADVERTISING AGENCY?

One does not necessarily have to maintain specialized-staff or an advertising department to be able to deal with an advertising agency, depending on the size of the business enterprise the task of advertising could be the responsibility of someone directly connected with sales or marketing. This person could be the proprietor of the enterprise, its marketing director or one of the marketing, commercial or sales managers or executives. This is' how one would expect a relatively small enterprise to operate.

In a commercial enterprise, where advertising is a major component of its varied commercial or marketing activities, it is usual at least to have one person solely responsible for advertising. This person would usually be desig-

nated advertising manager. Some organizations prefer the title publicity manager. Depending on the amount of work involved, usually related to the number of products marketed, some firms have an advertising department presided over by the advertising manager. The bigger the enterprise the bigger the department and the entire hierarchy, one would find such persons as marketing director, sales manager or product managers and the advertising manager. In some cases all these roles are combined in a single person, who is an executive director and thus part of the board of directors, or the top management of the company. Thus, there is no single pattern.

The advertising manager, or however one might be designated, might be responsible only for advertising or even for other related activities, such as public relations, sales promotion and merchandising and, even in some cases, marketing and market research, the bigger the organization, the more the division of responsibilities. For a broad definition of an advertising manager, one might accept the one provided by the Incorporated Advertising Management Association of the UK, whose membership is open to "persons responsible for advertising, publicity, sales promotion, marketing and public relations of commercial, public and other undertakings." This definition is broad enough to cover the various combinations of activities that a person might have to undertake in a business enterprise, depending on its size and range of activities. For our purpose an advertising manager is one who handles the advertising requirements of an organization, whatever might be the person's designation or other responsibilities.

Depending on the size and range of activities of an enterprise the activities of the advertising manager would vary. This person could be called upon to act as the representative of the enterprise in dealing with the advertising agency and in buying other advertising or advertising related services. This is mainly an administrator's job. It would, however, require some understanding of advertising and, of course, marketing.

The advertising manager could also be in charge of a department, co-ordinating and supervising the work of the staff in day-to-day working relations with the advertising agency, or with even creating the company's own advertisements. Such a person could also co-ordinate the activities of a number of junior advertising managers or product managers or branch managers, responsible for the marketing and advertising of one or a particular group of products.

Whatever the type of organization and structure of the advertising buying operation, the responsibilities of the advertising manager would more or less be the same. Obviously this person, when not working on one's own, would have to work closely with the top management of the company or the policy-makers and particularly the marketing and sales personnel. The advertising manager would be responsible for organizing the testing of a product in a limited market, before it is universally marketed. This would involve also the marketing strategy, the advertising strategy, etc. Of course, in the case of a large enterprise, the advertising manager would work as part of a team, including Marketing executives and marketing research personnel. In a smaller set-up it would obviously be a single person affair, may be aided by the advertising agency, if its services are utilized.

Moving from the internal to the external sphere, the task of the advertising manager is to brief the advertising agency or the other service organizations related to advertising. This is possibly the most important responsibility. This involves not only a profound understanding of the policy of the enterprise concerned, but also the ability to interpret it clearly to individuals who do not have direct access to the processes and compulsion of policy formulation. The advertising manager must not only be able to share the knowledge and understanding gained over the years through association with the organization, but also share it in such a way as to enable the agency to translate the requirements of the advertiser into the most effective marketing communication programme or advertising. This calls for good communication ability and an understanding of the requirements of an advertising agency to perform its task effectively.

As the advertising manager has to have the ability to assess the load advertising would have to bear to achieve a particular marketing goal, it is also her/his responsibility to help the enterprise determine the advertising budget. In this, the advertising agency could also make a contribution. Often, the two would work as a team. The final decision would of course depend on the resources available, which might not necessarily permit the ideal amount of expenditure. From this responsibility follows the next one, control of the expenditure on advertising. In every operation involving a certain amount of expenditure, budgetary control is essential. In a large commercial enterprise, the budget controlled by the advertising department would include a number of diverse sales promotion activities, of which advertising would be one com-

ponent. Even in the case of advertising, the budget would be spread over different kinds of media. It is the responsibility of the advertising manager to ensure that the budgeted amounts are properly spent according to the plan worked out in advance. It might be necessary, at times, to review the situation mid-way and divert allocations from one advertising activity to another, depending on developments in the marketing situation. Hence, the advertising manager has to exercise continuous budgetary control.

4.5 WHY DO THEY ADVERTISE?

In the entire complex of advertising activities, the most crucial factor is the relationship between the advertising manager of an enterprise and the advertising agency or agencies, whose services she/he utilizes. It is on this relationship that the success or failure of an advertising campaign would depend. It is said that an advertiser gets the agency it deserves. The foundation of every advertising campaign is information. The advertising agency is a team of specialists, as much as a doctor or a lawyer. To get the best service from a lawyer or doctor it is necessary to provide her/him with all the relevant information. This is equally true in dealing with an advertising agency. The advertising manager of an enterprise must have the authority to share all information, good and bad, with the advertising agency. She/he must arrange, where necessary, interaction between the advertising agency personnel and the sales and marketing personnel of the advertiser. The marketing policy must be explained and its justification made clear to the agency. It has to be associated with the sales conferences and the entire process of marketing from the identification of a product to its ultimate launch in the market.

This is not enough. The advertising manager must be able to interpret the work of the agency to top management. She/he really is the link between top management and the advertising agency. She/he has to act as a bridge between the two. it would require her/his involvement with the entire process of the evolution of the advertising campaign. The advertising manager and the advertising agency must work together as partners with a common aim the achievement of the marketing objective of the enterprise concerned. When the entire advertising activity is entrusted to one or more advertising agencies, the task of the advertising manager is more or less simple. When certain items, usually referred to as 'below-the-line' items, are handled directly by the advertising department of the enterprise, the advertising manager would also be responsible for the control of the production and distribution or such advertis-

ing material. These would include exhibitions, window displays, films, fashion shows, point of sale material, print jobs, such merchandising efforts as competitions, premium offers, etc. More often than not, in India, the advertising agency looks after even these items through relevant service organizations.

In many enterprises the advertising manager is also responsible for public relations for the company. There could be a press officer working under the advertising manager. In many cases the services of a PR consultant are utilized. Many advertising agencies also offer PR services. There is an internal dimension to PR-communication with the employees. This is often handled independently. If there should be a separate PR department in the enterprise, the advertising manager would work in close cooperation with it.

Finally, there is the task of evaluating the success or otherwise of advertising. This is also the responsibility of the advertising manager. It is a question of continuous monitoring of the impact of advertising translating itself into sales, provided, of course, all the other marketing efforts are in position.

Obviously the advertising manager, whether the term is used to include even the proprietor who has to look after everything including advertising, or a member of the board of directors especially entrusted with this job, is a senior person with considerable experience and tremendous responsibility. The importance of the advertising manager would be better appreciated if one looked at the advertising budgets of some of the large manufacturing and marketing enterprises in India. Economic dailies and other specialized publications and research organizations occasionally study advertising and publicity expenditure of major business enterprises in India.

This was the picture after two years of the new structural adjustment programme, with the opening up of the economy, to free competition from transnational corporations, some of the biggest in the world. This means that the Indian corporate sector as a whole would have to invest considerably more in sales promotion and particularly advertising, even just to maintain the present share of the market, leave alone increasing it. Furthermore, the high power advertising of the transnational corporations, making India their battleground, just as Coca Cola and Pepsi and Hindustan Lever and Proctor & Gamble are doing, would mean more advertising expenditure than ever before. This would mean more importance and greater responsibility for the advertising manager. The budget she/he would handle would increase. And the results expected would be much higher under more difficult conditions.

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In this context, it might be useful to identify the likely growth areas, as these would also be the areas, which would offer new job opportunities. In terms of sales promotion to sales ratio, the top five industries in 1991-92 in descending order, according to the Business Standard research bureau study, were medicines and pharmaceuticals, sugar and breweries, trading, tobacco and other chemicals. In the following year the top five industries were practically the same, except for other chemicals taking the place of tobacco' which dropped to sixth place and tea came up to the fifth place.

Depending on the amount of work involved, the advertising manager would require assistance in conducting the different advertising activities. The advertising manager, either working independently, or with assistance, would have to ensure that the right media have been selected and the advertisements have been scheduled in relation to the sales and marketing requirements of the company. She/he would have to be able to assess the suitability of the advertisement itself and set the production costs. Naturally, the assisting staff for all such activities would be the minimum in case the business enterprise secures the services of an advertising agency. Similar activities would have to be 'undertaken in different areas of advertising such as outdoor hoardings, television advertising, radio and cinema advertising, direct mail, print jobs, exhibitions and displays, point of sale material, sales promotion and merchandising, trade relations, sponsored events, press relations and house journals. The contribution of the advertising agency would vary from item to item. The advertising manager would have to supervise the work of the agency in every area in which it. is involved.

> ***Check your progress***
>
> 2. The advertising company agency was started in the year of _______

Outdoor advertising would involve the selection of sites, the rates offered by the hoarding contractors, the design and the way it is reproduced. In the case of television, the storyboard or the script, the models if used, the lyrics and the music and the words, the finished videotape, would all have to be approved. The advertising manager would be involved at every stage of the production directly or through the appropriate staff in the advertising department. Then, of course, there would be the evaluation of its effectiveness. With regard to radio advertising the advertising manager's responsibility would be about the same as that with TV advertising. Film advertising would call for the advertising manager's involvement, both with the total process of film making, as with TV or radio, and also with the scheduling and proper screening at the cinema theatres. As for TV advertisements, the advertisement manager can view them at home; for film advertisements visits to cinema theaters

would be necessary, particularly to get an on the spot, spontaneous audience reaction.

It might be convenient for the advertising department to handle direct mail advertising independently, if this is a medium the company uses extensively. It could get the help of a direct mail service to keep the mailing list updated. The advertising agency could help design and print the direct mail literature. The advertising department could handle the mailing itself. In case of highly specialized requirements even the preparation and maintenance of the mailing list would have to be handled by the advertising department. A mail order trader, big department store or even a good library could use direct mail as a medium for the promotion of retail trade or information to its customers. In such a situation the entire operation would be handled directly by its user. Such direct mail would not really be considered as an advertising medium.

Exhibitions are becoming a regular feature of marketing and advertising operations. It would be the responsibility of the advertising manager to be well informed about exhibitions that are held from time to time, both at home or abroad. She/he would have to advise the management about the exhibitions in which it would be useful to participate. Then would come the entire process of booking space, selecting the exhibits and then buying the required services for the design and construction of the exhibition stall and the display stands and getting photographs taken, mobiles constructed, video films prepared and so on. Some of these jobs could be handled directly by the advertising agency, or it could buy the necessary services on behalf of the advertiser. Even so the advertising manager, or the staff of the advertising department, would be involved at every stage of the operation in a supervisory capacity.

Every advertiser or business enterprise uses a great deal of printed material. These would include catalogues and other sales literature, packaging material, instruction leaflets or manuals, show cards or point of sale material and of course the annual report, all of which come within the scope of marketing, advertising and public relations. Then there are other print jobs, such as office stationery, which too have to be carefully designed and may require the services of the advertising agency. The advertising agency is equipped to handle all print -jobs on behalf of the advertiser, but in some cases the business enterprise concerned handles some of the jobs directly, particularly those for which the design services of the advertising agency are not required. This in itself is a major task and requires properly trained staff in the advertising department.

In the area of sales promotion and merchandising, the advertising department would have to assume major responsibility, even though valuable assistance might come from the advertising agency. You might describe this area as the 'special efforts area of marketing and advertising. This can involve a whole range of diverse activities in which the sales force of the business enterprises would have to be directly involved. For example, there could be sample demonstrations not only at retail outlets but also at the homes of potential consumers. Prize contests could be organized, premium offers, free gifts and various other sales incentives to remove goods crowding shop shelves or to beat competition. The entire operation would be the responsibility of the advertising manager, who might seek ideas from the advertising agency. Apart from recommending schemes and sales incentive activities, the advertising agency would be involved in the advertising part of the effort and in producing other publicity material. The agency would also work together with the advertising department of the business enterprise concerned throughout the operation. This is not merely to help out but also to gather enough information for its future advertising activities on behalf of the advertiser.

Related to public relations is the house journal, both for internal and external consumption. A person with journalistic experience or flair sometimes handles the internal house journal directly at the work level,, particularly when there is no public relations department. In such circumstances, the external house journal becomes the responsibility of the advertising department. The advertising agency can provide designing and a production service, but the bulk of the editorial material has to be secured and provided by the advertising or public relations department. When the advertising department handles this job, obviously the advertising manager needs assistants solely responsible for the house journal.

All these activities of the advertising manager add up to the qualifications required to fulfill such a task. First, the advertising manager would obviously have to have some knowledge of advertising. This could be' gamed through a period of service in an advertising agency or though a course in advertising now offered by many institutions in the country, particularly the Indian Institute of Mass Communications, Delhi. Secondly, knowledge of advertising would not be enough, as the name implies. Training in management is also essential. This is obvious. The advertising manager would have to be able to prepare a budget, manage it and contribute to policy formulation and interpret them to others. Above all she/he would have to manage personnel,

however small the department might be. This is where an MBA would be useful. Such a qualification would include knowledge of marketing and advertising as well. This is what brings us to the third requirement. The knowledge of marketing, as studied in the Institute of Management, would probably provide a theoretical grounding. This would have to be built upon through experience gained in the marketing organization by working on the sales side or as a brand or a product manager. Advertising agency experience can also help.

The challenges are limited in a marketing organization. Generally, you would be concerned with one product and a particular marketing situation. In an advertising agency you would have to face different types of situations. You could specialize in one particular area; there is greater scope for creativity. It is true that, in the advertising agency.. you are at the beck and call of the advertising manager of the marketing company you happen to service. As an advertising manager you would be calling the tune. Promotions are also much quicker in an advertising agency. . What really matters is what you are looking for, the daily rough and tumble, the daily tension of meeting near impossible deadlines, but the excitement of creativity and innovations and working with a team of highly talented persons, or an early start at a higher income level, more stable and steady growth prospects, without too much tensions, but much attention from various outside service organizations. May be, the other side of the table seems more attractive. It is for you to find out. You can shift from one to the other, you know.

4.6 INDIA'S LEADING ADVERTISERS IN 2008 BY MEDIA SPEND

i. Unilever India

ii. Tata Group

iii. Reckitt Benckiser

iv. Procter & Gamble

v. Bharti Group

vi. Pantaloons

vii. Suzuki

viii. ITC

ix. LG Group

x. PepsiCo

4.7 OTHER LEADING LOCAL ADVERTISERS

i. Dabur India

ii. Paras Pharmaceuticals

4.8 ADVERTISING AGENCY-AN INTRODUCTION

An advertising agency or ad agency is a service business dedicated to creating, planning and handling advertising (and sometimes other forms of promotion) for its clients. An ad agency is independent from the client and provides an outside point of view to the effort of selling the client's products or services. An agency can also handle overall marketing and branding strategies and sales promotions for its clients. Typical ad agency clients include businesses and corporations, non-profit organizations and government agencies. Agencies may be hired to produce an advertising campaign. A modern advertising agency offers specialized knowledge, skills and experience which are required to produce an effective advertising campaign. It has writers, artists, media experts, researches, television producers, account executives, etc. These specialists work together to understand fully the advertiser's requirements of an advertisement campaign, and develop suitable advertising plans and strategies. By creating advertisements and delivering them through appropriate media, the agencies implement advertising plans and strategies. A modern advertising agency is the fountain-head from which flow most of the advertisements we see and hear in the national and regional media. An agency represents the core of the advertising profession. Madison Avenue, an area in New York where several large agencies are located, has become a symbolic name for advertising. Today the term agency is misnomer, since they are not agents in the legal sense but are independent companies. Though these started as space brokers, the functions of the agencies, have changed over a period of time. Their main job today is not to aid media, but to serve the advertisers. The American association of Advertising Agencies (AAAA) defines ad agency as "an" independent business organization composed of creative and business people, who develop' prepare and place advertising media for sellers for their goods and services".

4.8.1 Evolution and History of Advertising Agency

The first advertising agency was started as a space broker in a newspaper by volney B.Palmer in Philadephia in 1841. He acted as a simple agent, selling space for his client newspaper on a commission basis. He made no

effort to help the advertiser prepare copy, design a layout and provide the many specialized services now performed by a modern agency.

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4.8.2 Advertising Agency

Since then, the nature of an agency has changed considerably, but the method of compensation in the form of a fixed percentage of advertising billing continues in spite of the inherent defect of the system, for the agency generally recommends only a higher media budget than may be appropriate.

It was only by the beginning of this century than the agency started to prepare advertisements and deliver them through the advertisements media. Lord and Thomas was probably the first agency in the USA, with a reputation for creative work in advertising. It hired copywriters, who did a marvelous job. One of the famous advertisement deliveries of this agency was for a new washing machine. Other agencies also started adopting the new copywriting, art work, layout design, media selection, etc. Over the next several decades, the advertisement agency improved the quality of its services, besides offering additional new services at extra charge. Agency growth has never looked back since than. It has grown in towards the end of the first half of this century, there were several large agencies, offering a full range of advertising services. The produced effective advertisements by taking into account consumer psychology and human needs and wants.Creative advertising appeals effectively influenced consumers to buy the advertised products and services. In fact, advertising at this stage, became a part of the overall marketing mix, futhering the sales and marketing strategy.

> ***Check your progress***
>
> 3. The decision relating advertising to media planning are taken by a specialist in agency called
>
> ________

An advertising agency is shortened as ad agency. Ad agency is a team of experts appointed by clients to plan, produce and place advertising campaigns in the media. They are called agencies, because literally they are agents of the media who pay them the commission, and the media thus becomes the principal. Media pays commission to only accredited agencies (INS accreditation INS is the Indian Newspapers society formed as regulatory body to organize the industry works). The agency works for the client, but draws its sustenance from the media (nearly 75 p.c).

4.8.3 The working of Ad Agencies

To begin with, the agencies started as one-man agents who booked space in the media. Even today, in our country, there are so many one man agents who book space in the media. Soon the space-booking was handed over to the contact-man; and the actual construction of the ad was undertaken

by creative wordsmiths adept at sloganising. In the course of years, the ad agency became service-oriented, and was able to offer every possible service including marketing, market research (MR), and public relation (PR).

Ad agencies have evolved over a period of time. These days were have mostly/studio-based agencies, some industrial and specialized agencies, and hot-shops who only pan creative campaigns by engaging the services of free-lancers. At Madison Avenue, most of the large agencies of the world fiercely compete for new accounts, resulting in a shift of millions of dollars of billing from one agency to another. Advertising Age is an official publication of the American association of Advertising Agencies (AAAA).

In India, advertising business is worth More than 10,000 crores. There were only 62 advertising agencies in 1958, which increased to 168 in 1978, more than 2.5 times the numbers in 1958. There are more than 5000 ad agencies today. The oldest and largest advertisement agency in India is Hindustan Thompson Associates Ltd. Which has a gross income of more than Rs.200 crores in 2000-01 and employs 1452 persons. The second largest advertisements agency is Lintas Ltd., which has a income of more or lacs the same amount and employs persons close in 500. Bombay is considered to be the Mecca of Indian advertising. These days agencies are also being set up at Bangalore, Madras, Hyderabad, Ahmedabad and Delhi. London, however, is considered to be the creative capital of world advertising.

In India, the ad agencies are sole proprietary concerns, partnerships or private limited companies. But in America and UK, the leading advertising agencies are publicly quoted companies. Many agencies in India have come of age. Ulka (billing 110 crores) started in 1961 and celebrated its silver jubilee in 1986. It has played a pioneering role in rural advertising. It has tapped media like folk theatre and professional story tellers. It also did a campaign for family welfare.

Lintas India turned 50 in 1989. Keeping in mind the agency's status (gross billings for 1994 : Rs.244 Crore) – and chief Alyque Padamsee's reputation for good taste-the birthday bash was a classy affair. In Aug. 1989 Lintas orgnised symposium of public service advertising in Delhi. Around this time, Lintas released a book on advertising containing articles by renowned ex-Lintasians like Shyam Benegal, P.L.Tandon, Kabir Bedi and Padamsee himself.

O & M became 60 years young in 1989. Its film, "Spread the Light of

Freedom" featuring 24 sports people running with lighted torches in different locales must have been enjoyed by many of you on T.V. was it not beautiful to see the golden girl P.T. Usha gracefully striding with a cute deer loping along in the background? O&M also and One Tune (EK Sur) commencing with Bhimen Joshi interspersed with Lata, and ending with Amit, Jeetu and Mithun and a host of Indians. Very well made for national integration. O&M did proud to Indian advertising by doing a comapaign for social awareness about cancer. It is better to operate agencies on professional lines, rather than as a family. It is good to install MBO (Management of objectives). An agency must necessarily plough back at least 75 p.c of its profit into business.

The advertising agencies are shifting from the creative mode to the marketing mode. Today the onus is on the agency to supply the client with data on his industry; the day of the clients briefing the industry are almost over. The agencies are expected to maintain industry data base. There is a leaning towards software for optimizing media usage, and computerization of studio functions. In India, the legal structure of ad agencies is that of small proprietary concern or a big partnership. Sometimes, they are private limited companies, either big or small. India advertising is a fragmented business. There are over 400 agencies accredited to INS. The top 25 account for 50 p.c. of all billings. In addition, there are many unaccredited agencies. It is the top 25 agencies, most of which are headquartered in Bombay, that set the pace and defined the shape of the industry.

Big four of all these years are:

Hindustan Thompson Associates

Lintas

Clarion

O&M

Grant was in the same league, but has recently suffered near-fatal reverses.

These agencies by importing Western advertising techniques shaped the entire advertising industry in the country.

Many Indian firms are coming up : Sistas, Jaisons, Dattarms.

Agencies created and moulded by single individuals:

Bel Mundkar : Ulka Advertising

Kersey Katrak : MCM (no defunct)

Ajit Balkrishnan and Arun Nanda of Rediffusion, Ravi Gupta of Trikaya, and Mohammed Khan of Enterprise are ex-MCM men. Mohammed Khan of Enterprise Advertising designed Charms Campaign R.K.Swamy of R.K.Swamy Associates and Frank Simoes-all these are examples of agencies which are built around them. Many agencies die a premature death. Most people do not appreciate that an agency – like any other business – must be properly managed. It is simply not enough just to have great ideas. In recent years there has been a healthy trend towards sound management practices, especially financial planning and control. This is a highly paid profession. It is a conspicuous wage island. People operate on high profile. Their life-styles are opulent because of high expense accounts of entertaining clients. They got their elitist brand due to this reason. But high salaries and freedom are necessary to attract talents. Women have been an integral part of this profession. We have example of Rhoda Mehta (O&M, Media Director), Nargis Wadia (Interpub, MD), Usha Katrak (Account supervisor for many years), Tara Sinha (Tara Sinha Associates Delhi; formerly, clarion).

4.8.4 Satellite Agencies

Bigger agencies these days form smaller subsidiary agencies called satellite agencies. The first such subsidiary in India was Acil, which was formed by clarion Advertising Agencies. Hindustan Thompson Associates (HTA) in 1979 set up subsidiaries. Lintas has set up karishma as its subsidiary. The umbilical cord with the parent agency helps the subsidiaries in terms of few initial accounts and talents to create good copies. Subsidiaries can have fresh, creative approach and can cater to smaller accounts. Subsidiaries can also take up a competing firm's account. If HTA has Lux soap, the Contract sells Mysore Sandalwood. HTA has the Niky Tasha account and Contract has Hotline's.

Edge is an Everest-backed satellite agency. Subsidiaries consolidate business and improve market share. Ulka's subsidiary interface handles many small accounts. There is a break-away thinking in a subsidiary. DaCunha's Victa dabbles into advertising that is little bolder than normal. Artig, and O&M subsidiary gets into fields complementary to their business and away from mainstream advertising communications, public relations, direct response advertising. The tax benefit that the formation of subsidiaries gave is on more of many consequences. Forming subsidiary does not mean partitioning a little office space and putting a new sign-board. It must be totally independent resource-wise.

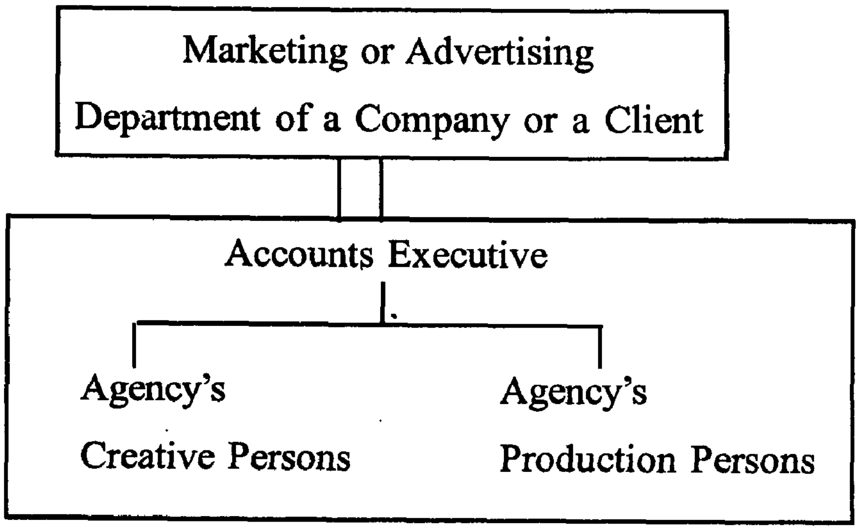
4.9 FUNCTIONS OF ADVERTISING AGENCY

An agency is purely a service business, manufacturing nothing. They have specialized in the service of creating and preparing advertising. It has on its staff both creative and production people to carry out these for their clients.

Accounts Executive or director: Key Executive of Agency

The agency's key executive is Accounts Executive (he is accounts director when he is a member of the Board in case of limited agency).

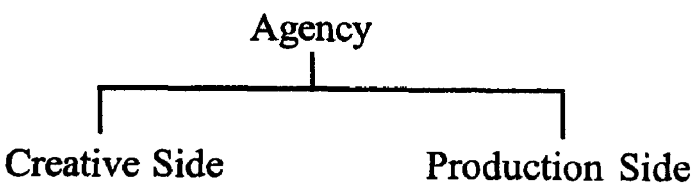
Account in advertising parlance means a client. The Hindustan Lever is an account for Lintas, or ITC is an account for Lintas. This accounts executive is a link between the agency and the client.



He understands what the client wants. He has to get this done through his agency. He is briefed by the marketing or sales or advertising department of the client. He communicates this to the agency people. He handles the client servicing function.

Modern day's agencies have two major sections –creative services and production

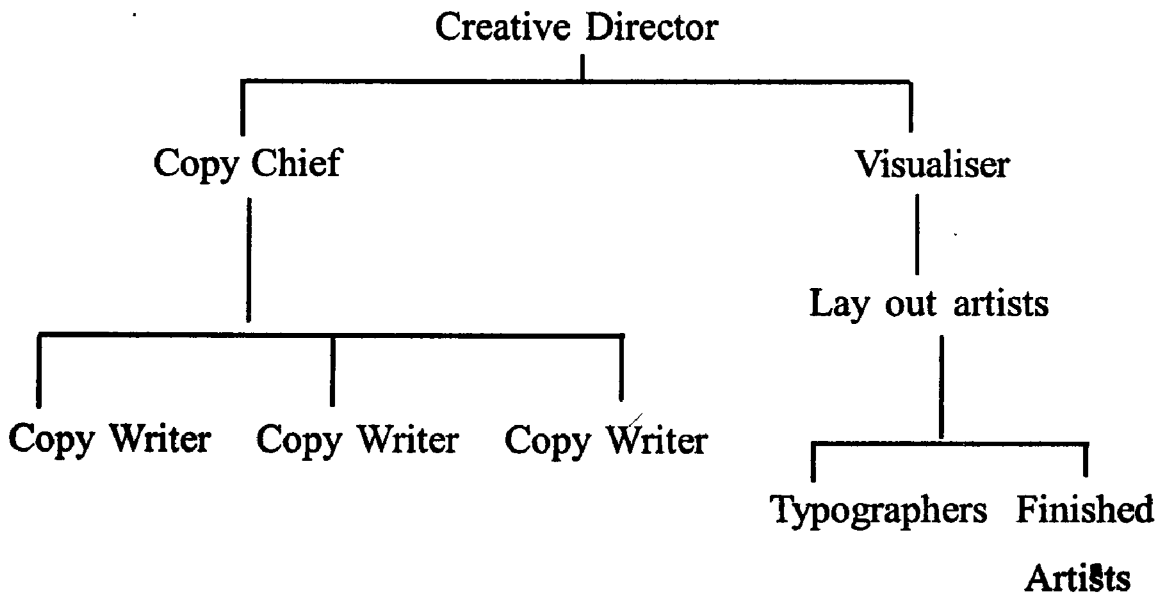
4.1.1 Creative Services



The two sides are supplementary to each other. Now the creative section has a team of bright, talented copy writers who do the wording of an advertisement. Copywriters contribute to the theme of an advertisement, like a collage girl asking another the secret of her flawless complexion and as an

answer coming to know that it is Clearasil Cream. Now this is called platform. These copywriters report to their head, who may be called copy Chief or Chief copywriter.

But merely the copy is not enough. The visualiser puts on paper what has been thought out by the copywriter. He in fact designs the ad. He takes the help of layout artists, typographers and finished artists copywriters must be coordinated with the design energies of copywriters must be coordinated with the design energies of the visualizes. The person who performs this role is called the creative Director. So now we can put here the organizational structure of the Creative Section of an ad agency.

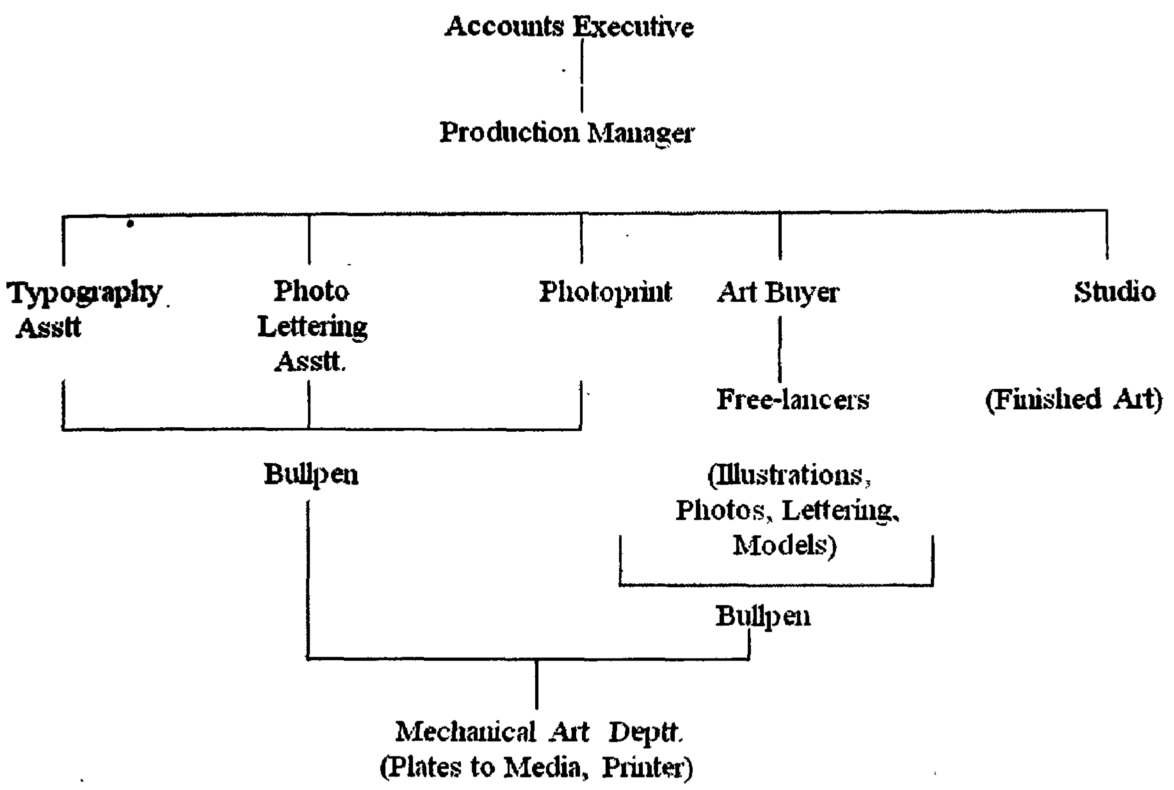


4.9.2 Production Services

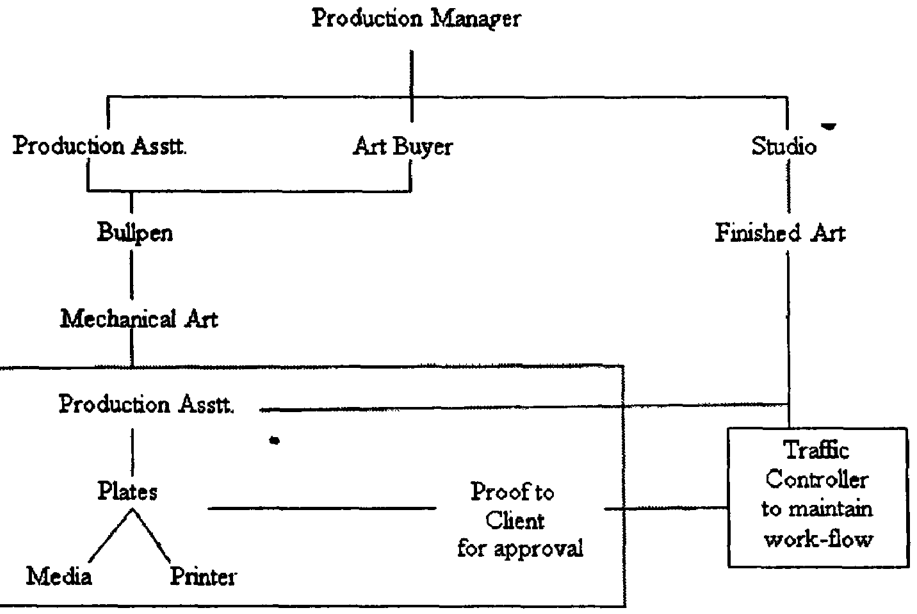
Now we shall come to the studio-based production department which delivers a complete approved ad copy. This department is in charge of the production manager who has several assistants. For print ads, these people do typography, lettering, blocks, stereos, electros. They also supply text and artwork for photogravure process. Production manager organizes the work-flow (copy and network proofs and correction) Final copy as per time schedule). In larger agencies this work flow is under the control of a traffic controller. Some part of the production work can be bought from free-lance sources.

Let us now see the organization structure of production department.

NOTES



The chart with a staff functionary like traffic controller will look like



> ***Check your progress***
>
> 4. The advertising agencies operating in India are accredited by ________

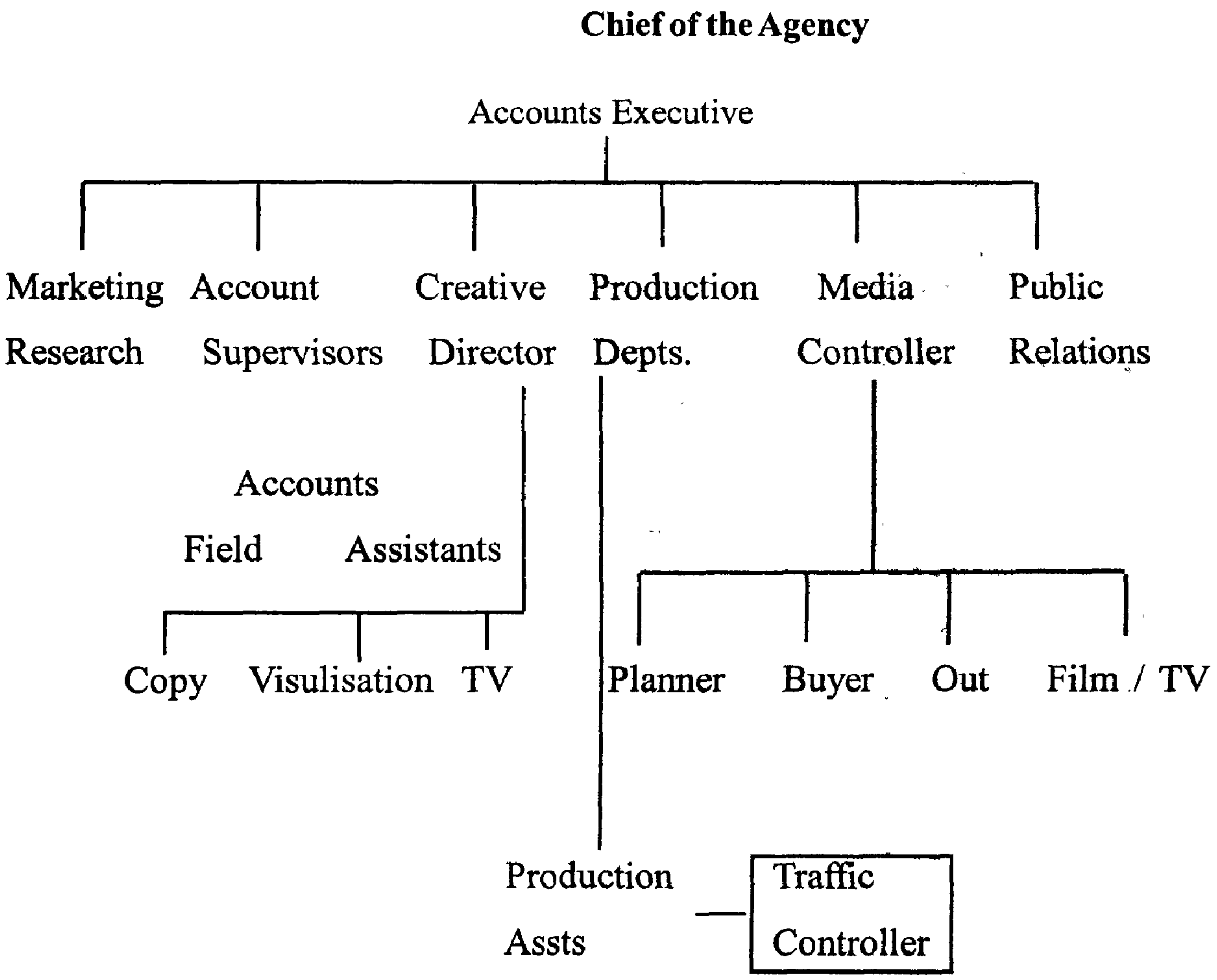
4.9.3 Media Planning

The two important sides, creative as well as production, have been discussed. Now the finished ad is to be sent to different media. Here the first question is what the total budget is, then how it would be allocated on different media, which media would be selected, what would be the frequency, size and position of the ad, when it will be published. All these decisions are taken by a specialist in the agency called media Planner, who is assisted by media research personnel, media buyers etc. Media planner also receives the tear off copies from the media when the ad is published.

Most of the ad agencies now have Marketing Research Department that does product research, consumer research, positioning studies, price and distribution research, sales and packaging research and motivational research. Then there is administrative now have Marketing Research Department who does product research, consumer research, positioning studies, price and distribution research, sales and packaging research and motivational research. Then there is administrative manager, with office, accounts, and finance function. Some agencies have a separate PR department.

Let us have a now a comprehensive chart of a typical ad agency.

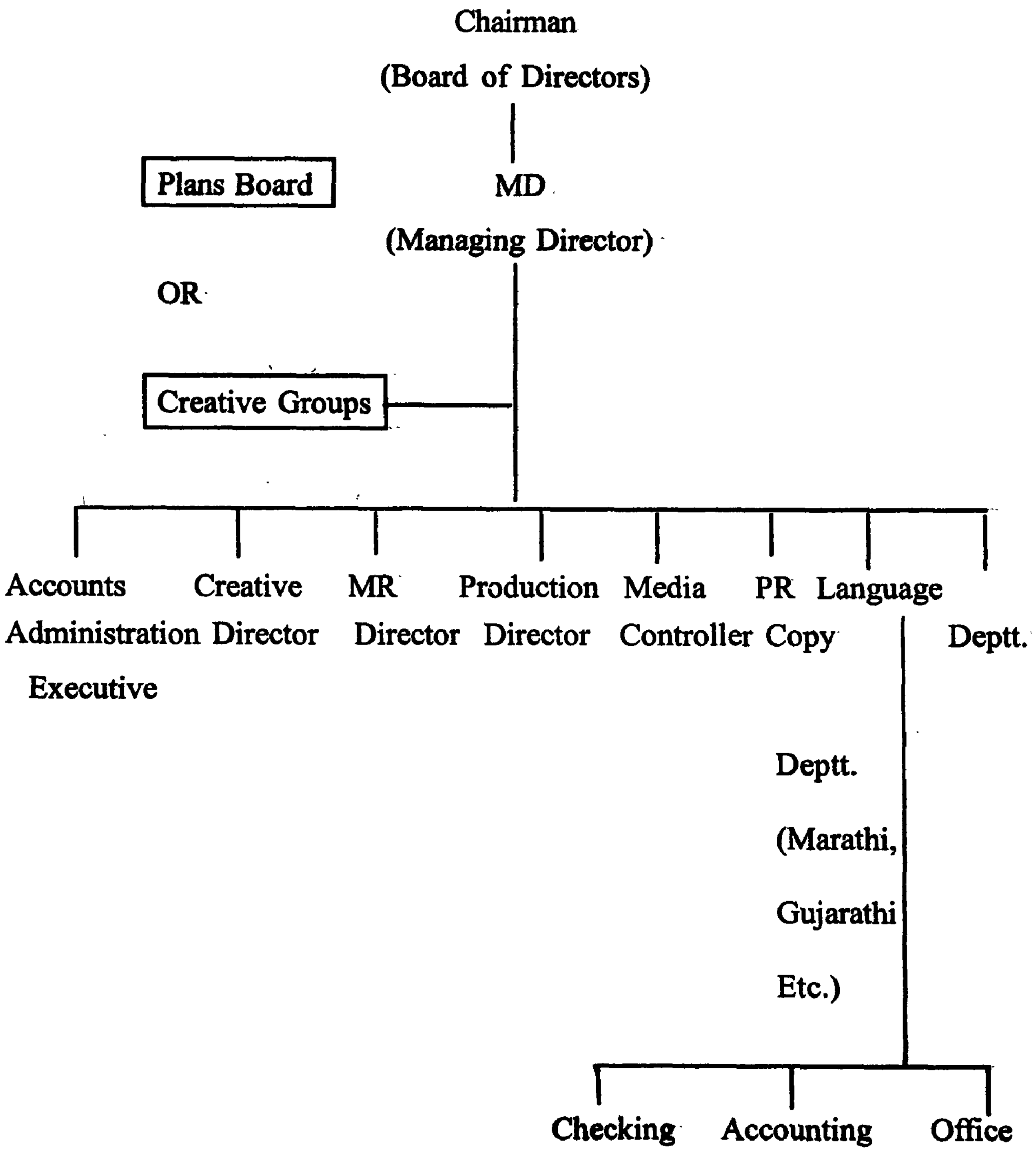
Advertising agencies are either full service firms capable of performing all the above services or boutiques specializing in a few advertising function e.g., media buying or creative designing. In short, the basic functions of an Advertising Agency are copy art and media.



4.10 TOP MANAGEMENT

Let us now discuss the top management of the agency. There are two mechanisms at the top. There can be PLANS BOARD, which consists of a committee of department heads (Accounts Executive, Media Controller, or planner, PR Manager, Creative Director etc.)

The Board conducts meeting and plans campaigns by consenus. The client may attend the meeting. The other mechanism could be REVIEW BOARD. Here it reviews or criticizes a campaign, which it has not been planned or created. In some organizations there is creative group system. Each group is responsible for one or more clients. The group is headed by either a copy writer. This system is adopted while launching a new product. There is only one PLANS BOARD. But in the Second system, there could be several independent creative groups operating simultaneously. Plans Board is suitable for a medium – sized agency. Creative Groups are good for a large size agency. The overall structure as the students will appreciate now of an integrated modern agency would be.



4.11 SERVICE OF A MODERN AGENCY

An advertising agency today broadly performs the functions of marketing and ad advertising, for which a good understanding of the market and the merchandising problem of the advertiser as well as knowledge of media, consumer psychology and advertising appeals are required. However, agencies vary in size and the services rendered by them to a considerable degree. In size, they range from a one-person agency to a large firm employing a few hundred; in services, they range from being agents for advertisements space booking to writing copy, designing, advertisement, selecting media for advertisements delivery preparing advertising programme, and market research. The American Association of Advertising Agencies has outlined the services performed by its member firms to the clients. They are detailed as under.

i. Advertising Plan

The agency prepares or helps in preparing advertising plans and programme for its client. This activity necessarily requires a through study of the clients product or service, and its advantages and disadvantages, particularly in relation to competitive products. Market studies are conducted to have data on who are the buyers, when and where they buy, and the clues to why they buy a particular product. Effective advertisements at appropriate times are important for a successful

The agency should also analyze the marketing methods and channels of distribution used in the past by its clients and their competitors. The agency then should know fully the various media available and such information on them as their character, influence, circulation, audience adn cost. Each medium has its impact on a segment of the market and the availability of space time in an appropriate medium.

Based on the above available data, an agency now recommends an advertising plan to its clients for their study and approval. Once such a plan is okayed, its execution is normally entrusted to the agency.

ii. Execution of Advertising Plan

The part of the agency functions includes the following:

a) Effective advertisements are created to suit the advertisement media, already selected are created to suit the advertisement media, already selected. Copy is written, layouts are made, advertisements are designed, illustrations are drawn and finally, commercials are produced and are ready for release;

b) Contracting for the space and time on the advertisements media.

c) Checking and verifying insertions/displays or other means used.

d) Billing for the service, space and preparation of advertisements.

The last, but not the least, of the functions of the agency is coordination with the client's sales force and distribution network with a view to getting the best results from advertising. In addition to these functions, many agencies now render special services in such areas as market and sales research, the preparation of product literature for sales research, the preparation of product literature for sales-catalogues and leaflets designing product displays and publicity. Some agencies also provide specialized market services, such as product analysis, package designing, sales training consumer behavior research, and the development of new products. In addition to usual advertising services, the agencies may perform marketing services like.

i) Selecting the target audience

ii) Pricing the products and determining discounts and incentives

iii) Products design

iv) Package design

v) Distribution channel strategies

vi) Conducting the MR projects (marketing research)

4.12 ORGANIZATION STRUCTURE OF ADVERTISING AGENCY

All the functions described above are not necessarily performed by all the agencies. They vary widely, and so does their internal organisation. The size of an agency determines its organisation. There are variations and adaptations in the organisation structure of the agencies to suit their individually. However, one of the two basic types of organisations is found in every agency; the group type and the department type, and both organisations have been successful. The selection of specific type is determined by such factors as the size of the agency, the functions performed by it and the personnel involved in it.

In the group type of organisation, we have a group of individuals servicing a client. The group comprises an account executive, a copywriter and a layour artist; And it contracts clients and does creative work for them. It uses other central units, such as media research, mechanical production and ac-

counting, as it needs them. Some groups serve more than one or two clients. The idea is to make a team of trained individuals for specialised work, and let this work on some problem for the same client or other clients. Basically, this type of organisation is more suited from large advertising agencies. Some authors have referred to the group type of organisation as a matrix-type organisation.

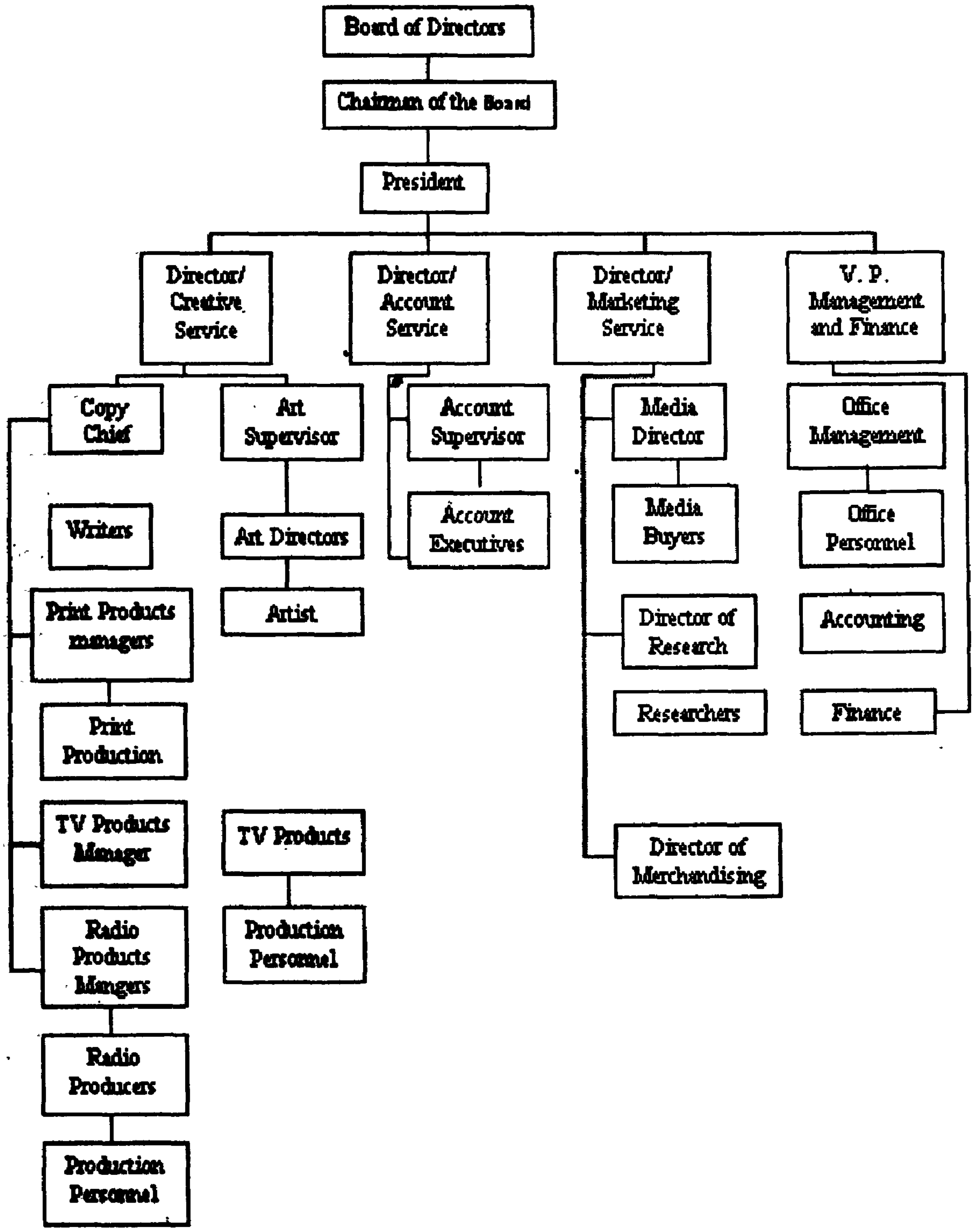
The department type organisation is based on the principles of a separate department for each major advertising function. Each department is headed by a specialist in that particular field. Each department serves the clients, unlike a group of individuals serving a client in the group type of organisation. In the department organisation, say a copywriter works for four or five accounts and writes copy for four or five different products. The persons in each department are responsible to the head of the department rather than to an accounts executive.

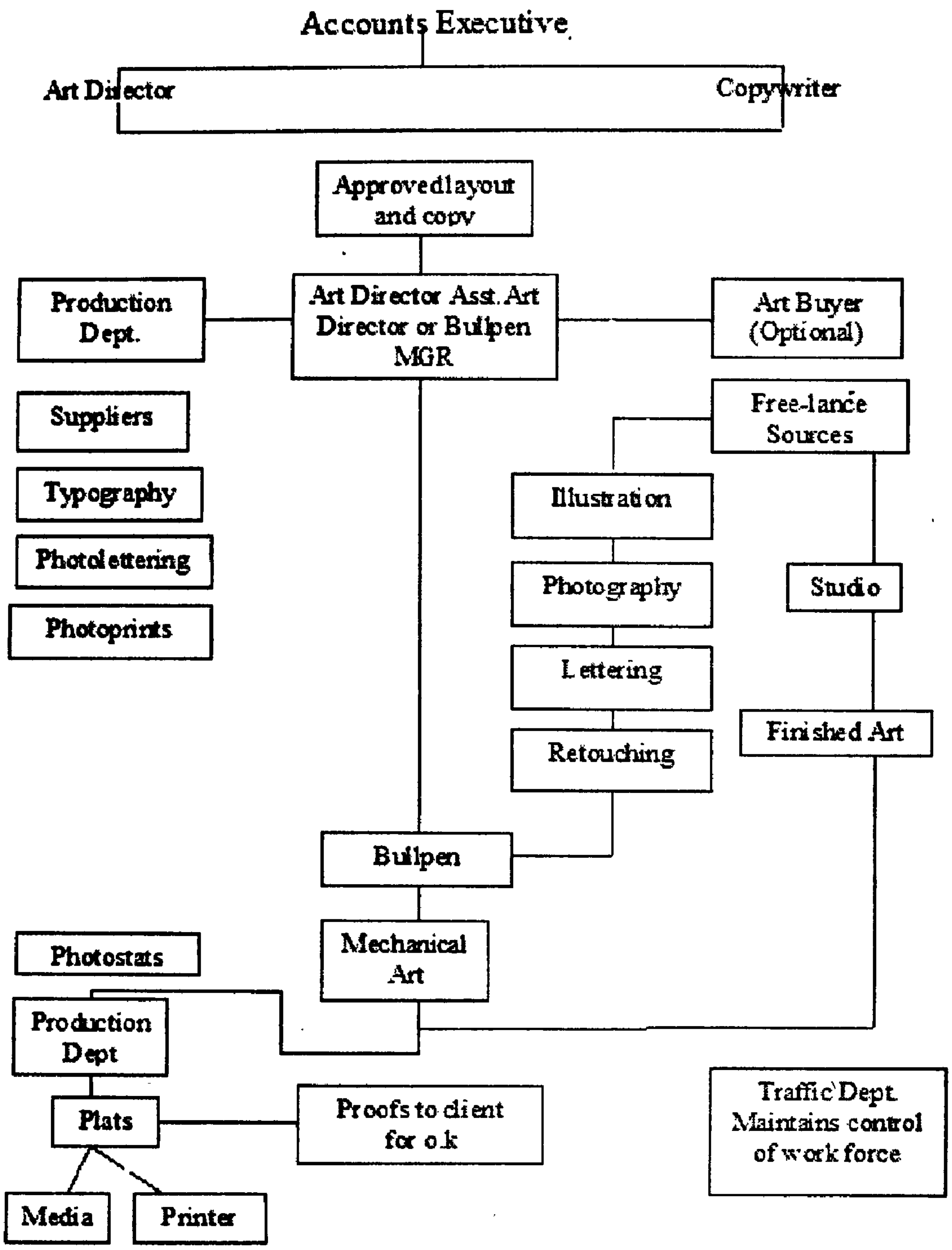
The creative services offered by an advertising agency include copy, art, TV ad radio production, and mechanical production. Some consider the copy writing department to be the most important ne in an agency. This is so, if it correctly interprets to prospective buyers the product or service that it advertised in terms of its wants-satisfying ability. The copywriter is assisted by research in determining the effectiveness of the various appeals and the medium through which the copy should appear. The art department adds the dramatizing value to advertising. This department develops sketches of layouts and illustrations. The function of the account executive is to coordinate the activities of all the part of an advertisement so as to present it is an effective selling message. In fact, all the employees in the advertisements agency should have an art consciousness as well as consumer consciousness. Their objective is to present the selling message in such a fashion as to influence one or some of the motivations of the consumers.

> ***Check your progress***
>
> 5 Accreditation which helps to the _______

Radio and TV commercials require quite different talents for their production. Therefore, agencies doing TV and radio commercials would have a separate creative department for these media. Typical organization of an agency is shown if fig.18.9. The mechanical production department is responsible for converting the copy and artwork into printing plates, typography and materials, which are used in reproducing advertisements in the print media. The production process in a typical agency is described with the help of a flow diagram in fig 18.9

Typical Organisation of an Advertising Agency





4.13 ACCOUNT MANAGEMENT

We have earlier mentioned the function of contracts with the client. After all, the entire activity of the agency is so performed as to keep the client satisfied with the services rendered to him. The client's satisfaction is of paramount importance for any agency and for this purpose, a good liaison and communication with the client are absolutely essential. An account, in advertising language, is nothing but the client whose product and service are advertised and to whom other services are rendered. The accounts executive also performs the marketing and sales function for the agency. He is the salesman of the agency for the client, and presents the agency point of view to the client. He also represents the client by presenting the advertisers point of view

of the other members/ department of the agency working on the account. The job of the accounts executive is primarily of liaison, which calls for tactfulness and diplomacy.

Apart from liaison and communication, an accounts executive does sales promotion work for the agency. He has to maintain old accounts as well as develop new accounts. In the function of account servicing, the account executive is responsible for obtaining the client's acceptance and approval of the advertising campaign prepared, and of the individual advertisements and the media plan. He is the contact man for the coordination and execution of the advertising plan that has been agreed upon. He is supposed to be fully familiar with the marketing and advertising problems of the advertiser, and should effectively participate in offering acceptable solutions to those problems.

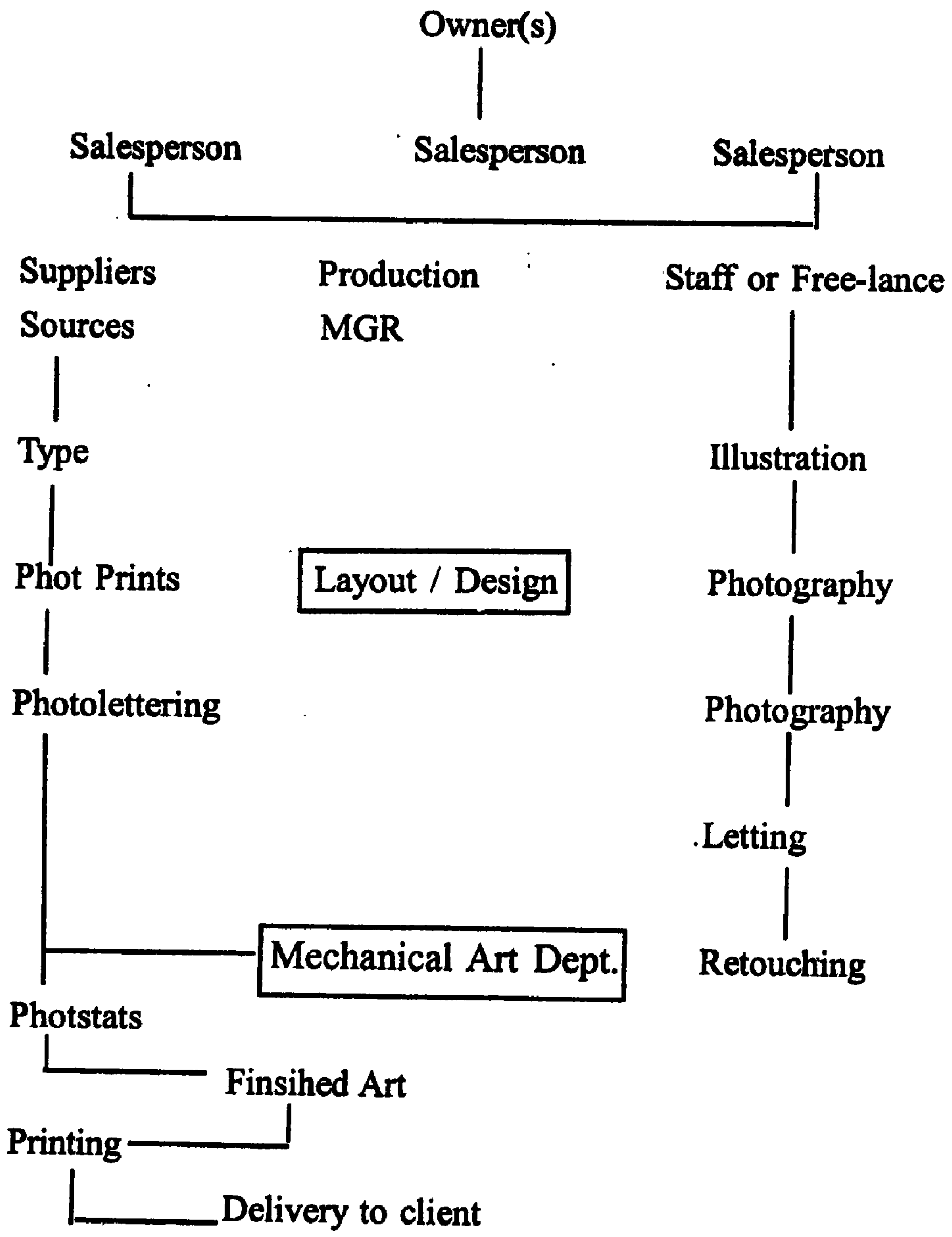
4.14 NEW BUSINESS

The agency, like any other business organisation, has something, to sell. The business of the agency should therefore, grow so that at any stage, its volume of business may justify its facilities for the services that are offered by it . Moreover, growth is one of the desirable requirements of any business. It is therefore, logical to have a separate cell in the agency which is responsible for the growth business. This growth may be achieved either by increasing the business with the present accounts or by getting new accounts. The first is within the jurisdiction of the accounts executive, while the second may be looked after by him in a small agency. In large agencies, the top management assumes this responsibility. It has a few executives who are exclusively hired for developing new accounts. Some agencies aggressively solicit new business by themselves engaging in advertising. They highlight the agency's competent personnel, the resources and the facilities at their disposal, the influential accounts they service and the successful advertisements campaign they have handled.

4.15 DEVELOPMENT OF NEW AGENCY SYSTEM

Agencies grow in size, offering more varied and specialized services. Later, in order to cater to the needs of overseas clients, and as more multinational corporations came into being, advertising agencies acquired a multinational character. Simultaneously some other forms of agencies cam into being. They are the boutique agency, the *a la carte agency*, and the *in-house agency*. Copywriters and art directors, instead of being tied up with a single agency,

set up their on shop to sell the creative function as a free. These shops have come to be known as creative "boutiques". In an a la carte agency, each service is sold on an optional basis at an individual fee. The in-house agency, as its name implies, is owned by the advertiser. In fact, this is nothing but the advertising department of a company. Large corporations have inhouse agencies which operate and control the entire advertising programme by themselves. For example, Reliance has Mudra, Malhotras have Bharat Advertising, Golden Tobacco has Govan Advertising and Lohia Machines have Shrishti. By contrast, Lever which promoted and owned lintas Worlwide diverted its holdings and in India, too, the Hindustan Lever followed suit. As Sajid Peerbhoy rightly remarked "an in-house agency can hardly be sacked'. Here, objectivity and creativity may also suffer. When corporations have a variety of products ad services to sell and have multi-divisional set-up, the in-house agency is very economical to have.



Before we go into a discussion of agency compensation, one more salient point regarding the agency's organisation structure deserves detailed description. This is the facility of the art studio within the agency. A small agency or space broker may not have an art studio; the artwork in that case is done by hiring an outside artist. But in our understanding of the modern agency, everyone has a well-developed art studio. It is worth mentioning here literature is prepared for distribution among medical professional. The organisation of a typical art studio is shown in Fig.18.10. Appendix gives the rankings by gross income of 30 Indian ad agencies. Hindustan Thompson Associates (HTA) is the largest (it is a 50 year old agency); and it is also the largest in Asia, excluding, Japan, Among the others, Rediffusion and Frank Simons are the most creative, the OBM, Everest and Chaitra are the most stable. Clarion and Lintas are the most marketing-oriented agencies. But the all-rounder is undoubtedly the HTA.

4.16 ACCREDITATION

The advertising agencies operating in India are accredited by the INS- The Indian Newspaper Society, New Delhi. While granting accreditation, the services rendered by the Agency, the accounts handled, the billings made, the organization structure and facilities, the foreign tie-ups, the creative output, the personnel employed all these are taken into account. INS Press Hand Book lists the accredited agencies together with the basic information. Press and Advertising Year Book list the accredited as well as non-accredited agencies. Accreditation enables the media to offer extending a certain period of credits to accredited agencies while setting the bills. Accreditation helps the potential advertisers in selecting an appropriate agency.

A) Basic Principles of Agency-Client Relationship

These Principles are:

i) The agency avoids advertising a close substitute competing product. The client too, avoids engaging the services of another competing, agency.

ii) The agency receives the green signal from the client for all the expenses incurred on his advertising.

iii) The agency keeps the media commission for itself, and the client undertakes, to foot the bill promptly;

iv) If the media grants any cash discount, it is passed on to the client;

v) The agency is not taken to task for media lapses in terms of scheduling, positioning, etc.

B) Basic Principles of Agency-Media Relationship

These Principles are:

i) The agency alone is responsible for payment to the media;

ii) The agency does not allow any cut from the commission received from the media to go to the client;

iii) The media do not discriminate amongst the agencies dealt with, and follow a uniform policy for all the agencies.

iv) The media do not alter the advertising material without the prior consent of the agency.

4.17 SELECTION OF AN ADVERTISING AGENCY

- First and foremost, the agency must be known. Previously unknown agencies are not preferred.
- Secondly, the agency must have creativity. Creative people are a little crazy, non- conformists. Creativity does not follow any logical pattern. Creative people are like naughty children. The secret of creativity is simplicity.
- Thirdly, the agency must have a sound track record, a good deal of experience.
- Fourthly, the accounts executive must have ability to understand the client's problems.
- Fifthly, you may look at the accounts they handle, and the accounts they have gained and lost. In other words, the work they have produced for other clients does matter.
- Sixthly, the personal equation of the client with the agency also matters. If you know them personally, they are compatible with you.
- Seventhly, their ability and presentation may make you opt for them. Premier Auto (the company that makes Fiat cars) was shopping around for an agency to launch its 118 NE. It invited presentations from various agencies and then shifted its account from its old agency Sistas to Ulka. More and more clients prefer to invite presentations for campaigns of new products and then award the campaign to the agency who they think has made the best presentation.

Lastly, there are some unique considerations, some prefer a small, some a medium, some a large agency. Increasingly, clients prefer to fragment their business, giving different products to different agencies.

Others factors that need consideration are the staff of the agency and its calibre, its flexibility, practical and consumer-oriented approach, the use it makes of MR, its media understanding the attention it gives to the client, its growth, the ability to handle below-the- line publicity, and its international tie-ups. So creativity, commitment to client and the quality of its top management a long way in the selection of an agency. Unfortunately, many think 'creativity' is just another way of saying. 'I like the agency'.

Client Turnover

When an advertiser leaves one ad agency and switches over to another, it is known as client-turnover. The various reasons for client turnover are:

i. The account is not profitable;

ii. The advertiser is interested in a new medium with which the present agency is not familiar;

iii. The client and agency perceive the ad strategy in a drastically different manner;

iv. Lack of coordination between the top executives of the client and the agency;

v. Change for the sake of change;

vi. Staff changes also lead to client-turnover;

vii. Perceived unreasonableness of the other party;

viii. Loss of confidence;

ix. When the client does not like the ad programme conceived by the agency,

x. Politics and nepotism result in client-turnover;

xi. Separation of client and agency is as easy thing to bring about.

Researchers have identified as many as 40 factors which influence the sale of a product, advertising being one of them. But the Agency is almost always blamed if something goes wrong, and the relationship terminates. There are three reasons for this:

1. It is very difficult to measure advertisement's contribution to the success or failure of a product.
2. Legally, it is so simple to terminate a relationship (e.g., a few weeks' notice).
3. New people in the client's office might like to have a change.

Again, sometimes creative people leave an agency. The client therefore naturally changes to a new agency, because the people who worked for him are not there. Many times, there is a change for the sake of change. Clients prefer an agency that is currently popular. Sometimes, the agency itself voluntarily resigns from an account. Maybe, there are differing perceptions. Maybe, the agency is accepting another competitive account. Agencies also abandon a consistently losing account. Agencies also resign when the client is over-bearing. Many ad people resent the diktats from the client about their own professional work.

Agency Compensation

The method of paying the agency has been a subject of much discussion nowadays at almost all the meetings of advertisement agency associations and advertisements clubs. There are, basically, three methods in practice. They are:

(a) ***Commission System:*** This is the most common and the oldest system of remuneration The agency is paid a fixed commission by the media on the advertising bill for We advertisement space bought by the agency. This fixed rate of commisson is 15 per cent in the USA as well as in India. Though the rate varies from country to country, the rate of 15 per cent is almost universal. For example, an agency places a full page of advertisement in a magazine, which costs, say Rs. 10,000/-. After the advertisement has run, the magazine (the medium),will bill the agency for Rs. 10,000/- less 15 per cent. This agency, in turn, will bill the advertiser for Rs. 10,000/-. Thus, Rs. 1,500/- will go towards the efforts made and the services rendered by the agency in the preparation of the advertisement and its delivery in the medium. Indian Newspaper Society (INS) accreditation earns the agencies 15% commission and 60 days of credit from the media. Non-accredited agencies have to pay the media in advanced and get 10% commission which in real terms translates to a miserable 5 p.c. The popular criticism of this method is that the agency is always tempted to recommend for several deliveries through expensive media in order to draw a larger remuneration.

(b) ***Fee System:*** The system came into effect following a controversy

between as advertiser and agency. The former argued that 15 per cent commission was too high a rate, whereas the agency took the stand that it was un- remunerative for the many services rendered to the client. The fee system is used in TV advertising; when once the commercial is created, it may be used over a long time. A flat fee is paid to the agency for the specialised services performed by it.

(c) The third type of compensation consists of ***service charges.*** These are added to the cost of materials, and services bought by the agency for the client in artwork, photography, typography, plates etc. Normally, it is cost plus 15 per cent.

In practice, one of the above systems of compensation, or a combination of the fee-and-media-commission plan, or a method by which commissions granted by the media accredited against professional fees, is used. Industrial advertising, involving the preparation of catalogues and sales materials, and retail advertising, point-of-purchase materials for advertising and direct-mail prices do not usually involve a commission. Here, the fee basis to compensation is mostly employed. When new product advertising is involved, the agencies are remunerated on a special fee basis.

The agency-advertiser relationship is like the physician-patient or the lawyer –client relationship. The patient pays the physician's fee, whether he gets relief or not. However, the quality of the physician's services will be ultimately reflected in the number of patients visiting him, or the volume of business he has. But there is no direct link between the fee paid and the effectiveness of medical treatment to an individual patient. As a patient, he is entitled to get an effective cure in return for the fee he has paid. The lawyer, too, takes the fee, irrespective of the judgement in the case. However, he faithfully argues the case for his client. This raises the question of the efficacy of the remuneration method of advertising. The ideal and desirable method must relate compensation to its effectiveness in some from or the other. Only such a method will have a greater acceptability among the advertisers. Not only, this, such compensation method will encourage the growth of a greater measure of professionalisation in advertising. This, however, looks simple but difficult to implement, because the necessary condition for the success of any such compensation plain is to find methods for measuring advertising effectiveness. Once this has been achieved, it would not be difficult to correlate it with the compensation payable to the agency. We have discussed previously the method of evaluating advertising effectiveness in a separate chapter. The possible future methods of advertisement can be devised. However, till other alternative methods are available, we have to continue with the existing methods.

4.18 FUTURE OF ADVERTISING AGENCY

"The competition would be keen and intense in the advertising business in India in the coming years, but it need not pose a problem of survival if Indian advertising agencies show enough resilience to exploit emerging opportunities." This view was expressed at the All India Advertising Convention held in Madras in April 1982. The future of the advertising agency seems to be bright. Opportunity awaits the agency to broaden its scope of services in spite of the various emerging challenges on the advertising scene. These Challenges pertain to market, media, motivations or putting messages across to the audience.

With mushroom growth of agencies, several unethical practices to wean away clients raise their head. I n-house agencies are a problem. Even then, the 70's were years of turmoil, the 80's an era of consolidation, the 90's are going to be a decade of big agencies. Many medium size agencies will become big in due course. Advertisers will be after a total communication package, advertising being only one part of it.

4.19 SUMMARY

The chapter gives a complete analysis of the Advertisers and Advertising Agency. It also analyses evaluation and History of Advertising Agency, the working of advertising agency, functions of advertising agency and organization structure of Advertising Agency.

4.20 ANSWER TO CHECK YOUR PROGRESS

1. The American Association of Advertising Agencies
2. 1941
3. media planner
4. Indian News paper Society
5. potential advertisers in selecting an appropriate agency

4.6 MODEL QUESTIONS

1. Discuss the trend of Advertising and Marketing spenders in India from 1997 to till date.
2. Discuss the growth of advertising Agencies in India.
3. What are the functions of an advertising Agency?
4. Write the typical organization structure of an advertising Agency.

THE CLIENT-AGENCY RELATIONSHIP

STRUCTURE

5.1 Introduction of Selecting or Changing an Agency

5.2 Unit objectives

5.3 Account Conflicts

5.4 Building Partnership and Trust

5.5 The Briefing and Approval Process

5.6 Costs and Compensation

5.7 The Ongoing Relationship: Reviews and Audits

5.8 Advertising what Distinguishes - A Great Client.

5.9 Summary

5.10 Answer to check your progress

5.11 Model questions

5.1 INTRODUCTION OF SELECTING OR CHANGING AN AGENCY

In the single month of October 1993, U.S. marketing clients changed and agencies announced agency reviews, or consolidated assignments on accounts with total billings of over $1 billion-including accounts such as Burger King, Diet coke, IBM PCs, Jeep/Eagle, Subaru cars and TV Guide magazine. The is was possibly the biggest set of account changes to occur in one month, but it was not unusual, because clients change their agencies all the time. Clients usually begin an agency search by putting up their account for a "review". In which both incumbent agency and invited new agencies could be asked to make presentations to retain or obtain the account. Such a review could be a regular periodic one, or be participitated by some unhappiness with the quality of the creative work the client thinks it has been receiving from the incumbent agency, or be sparked by an unsolicited contact from one of

the "new business" departments, with individuals (nicknamed rainmakers") charged with the responsibility of getting new business.

Some times the sources of friction with the current agency could be a change in marketing strategy at the client, with the perception that the current agency is unable or unwilling to implement the new strategy. The dissatisfaction might be caused by poor sales or market share performance ,or heightened competitive activity(leading to an agency changes as a "quick fix").or it might by disputes over agency compensation (sometimes initiated by the agency, which feels it is making too little money on the account). A frequent catalyst for change is the appointment of new marketing or advertising chief at the client, who brings a new perspective (and a different set of agency loyalties an contacts) to his or her new job (the "new broom syndrome). such personnel shifts are sometimes caused by change in ownership of the client, Such as merger or acquisition activity". Sometimes it is personnel shifts at the agency that lead to client dissatisfaction, or changes in agency policies.

A recent development has been agency changes caused by changes in client servicing needs, such as the need for global account servicing, the need for specialty advertiser services, or simply the need for wider agency involvement as clients move to creating more integrated communications. A recent example was Reebok's decision in September 1993 to move its account from the small Chait/Day agency to much-bigger Leo Burnett, ostensibly because Burnett could better serve Reebok's needs to grow internationally. According to Reebok's top marketing executives, "Chiat did not have the global resources." New agencies making presentations often poresent speculative (spec) campaigns indicating what kind of campaign they would create if they had the account and demonstrating their knowledge and understanding of the client's business. The costs of researching, staffing, and creating these special campaigns can run to the many hundreds of thousands of dollars' often, but not always, the client inviting the spec campaign will pay for part of these costs.

There are other costs to the client to; the selection of a new agency consumes much management time and attention, as does the creation of a new working relationship. The new agency will require time to get up to speed on the clients brand by one estimate, up to two years. Probably because these non financial costs are larger for more established brands at larger firms, large firms appear to change agencies less often than smaller firms." On the other hand, it has been found that the stock market does appear to view the news of an agency change positively for the clients stock, at least for a short while.

Clients selecting a new agency are sometimes advised by one of several agency selection consulting firms. A study by James Cagley showed that in making this selection, clients abilities, a perceived similarity of objectives and operating styles (including personal "chemistry"), the degree of understanding displayed by the agency of the client's business, the agencys reputation for integrity, the agencys reputation for making- and sticking up for – recommendations, and so on. Also important are the agency's size and stability, its servicing strategic planning, market research and media buying abilities, and the compensation and cost-control aspects.

Of course, the situational importance of these varies across clients and situations. In fact, personal contacts between agency heads and client top management, and positive recommendations from satisfied clients, have been found to be key to agencies' winning new client business. It is important to note at this point that a smart client will not simply select an agency that thinks exactly like the client personnel do, but rather will choose one that provides a complementary perspective.

5.2 UNIT OBJECTIVES

- To identify the principles for building a better relationship with agency
- Examine the Account Conflict
- Discuss the briefing and approval process
- To present the case study

5.3 ACCOUNT CONFLICTS

Probably the most important aspect, however, is the absence of account conflicts. Clients will simply not give their account to an agency which already services a competitor with the notion of a competitor sometimes being defined rather broadly (for example, Hall mark once switched its account from Young & Rubicam because Y & R had a part of the AT & T long-distance service account). The frequency of conflicts increase as the client business undergoes mergers and consolidations – we are rapidly reaching the stage at which a handful of mega corporations in the consumer packaged – goods fields have brands in almost every product category (e.g., Pocter & Gamble / Richardon – Vicks / Noxell, Philip Morris/ General Foods / Kraft, Unilever / Cheebrough Pond' / Lipton, Netile / Carnation, etc). This tendency has accelerated a company's introduction of more brand, in response to greater con-

sumer segmentation. The agency response to such client consolidation has been to structure their agencies into "group" with maximum autonomy. Interpublic, for example, operate a merely a holding company with three autonomous networks; McCann-Erickson, lintas; Campbell-Ewald and Ammirati and Puris/ Lintas, and Lowe and Partners / SMS. The idea is that a client should not objects to another agency in the group having the account of a competitor, since there is not opportunity for the transfer of secrets across the agency groups, in such a network, and no conflict of interest. Of course, this argument is not always successful.

5.4 BUILDING PARTNERSHIP AND TRUST

Once an agency has been selected, perhaps the most crucial aspect that can pull them apart is the perception on the client side that the agency is not contributing to the client's business growth. A client should not (and usually does not) hire an agency merely to support what the client thinks: the agency is being hired to bring its own unique talents and perspective to the client's business, to do the kind of creative thinking that the client simply does not and cannot do in-house. A client who does not expect and reward an agency for fresh thinking is usually going to get terrible advertising.

> ***Check your progress***
>
> 1. The first advertising Agency was started by ______ in Philadephia in 1841

However, the agency can only make such contributors if both the agency and client work hard to develop the right kind of relationship. Good clients create a sense of partnership with the agency-sharing information, research and sales data; trusting the agency; being honest with the agency; respecting the expertise of the agency; asking the agency to provide its best thinking and not to settle for safe and mediocre creative. Good clients ask for the agency to get totally immersed in the client's business (such as sales and factory visits) and make it easy and possible for the agency personnel to do so.

5.5 · THE BRIEFING AND APPROVAL PROCESS

The client should brief the agency clearly on what is required to obtain an agreement – before creative work is done on exactly what the ad is expected to shoot for. Consultant Nancy Salz recommends that the client think through the answers to three questions before the briefing: (1) what exactly is the agency being asked to do? (e.g., develop a new TV campaign to defend against a new competitor); (2) what information does the agency need? (e.g., product research, marketing research, etc); and (3) what questions is the agency likely to ask? It is helpful if the briefing session is attended not only by the

agency account, because this should provide them with greater insight into the marketing context around the ad campaign.

At the briefing session, and in the briefing document, the agency should be given all the information they might need to come up with strategic and creative ideas-product information, competitive information, consumer information, legal information, etc, It is vital that the agency be provided with the problem that the client has, but not with any suggested advertising solution to that problem-because coming up with the solution is what the agency is being hired to do. Any solution-suggestions by the client will o.nly serve to limit inhibit the agency's creative response. Some of the most famous ad campaign ideas have been born of agency folk asking "way out" questions. Legend has it that Dove soap came up with the calim "contains one-quarter cream" when the agency creative director, at the briefing, asked the scientist what the soap ingredient strearic acid really was, and was told that stearic acids are a main ingredient in face cream. What the client never saw in that fact, the agency creative's did - because they were allowed to let their minds roam freely.

When the agency comes up with its proposed campaigns, the agency account executive should be expected to fight for the agency's recommendations regarding good creative and not be a passive "yes-man" for the client. A good client does not treat the agency as a superior treats a subordinate, but rather as an equal partner, as a part of the client's own marketing organisazation. A good client treats the agency people with respect and does not squander the agency's resources through wasted motion. A good client accepts occasional agency mistakes-which will always occur-with good humor; an agency that never makes mistakes is probably not trying hard enough to be fresh in its creative product.

On the agency side, the agency needs to display a great ability to listen carefully to what the client needs are (including those needs and desires that are not fully articulated) and must appreciate the political ramifications of agency recommendations. Good creative ideas can come from anywhere including the client and the agency should be open-minded. The agency needs to take a leadership role in developing and pushing for high quality and bold creative work on the client's account. It is the agency's role to be intellectually honest, to be "of counsel" to offer an outside perspective that the client may not have.

However, in standing up for what it believes is right, the agency should not be arrogant, and should not seek creative awards for their own sake but seek the kind of creative work that is appropriate to the client's strategic objectives. It is also important that the agency not shuffle people creative, account, and top management from the client's account simply because it begins to take the client's business for granted. Great attention needs to be, placed on creating and maintaining the chemistry and rapport in the day-to-day agency- client relationship. Budgets, details and deadlines must be respected. There should be good communications with the client-clients have unpleasant surprises'.

5.6 COSTS AND COMPENSATION

One major source of friction in clients-agency relationship is a client perception that the agency is charging costs unfairly or is making too much money on the client's account. It is important for the agency not to treat the client's money wastefully , but it is equally important for the client not to nitpick on production and other expenses and to ensure that the agency makes adequate profit on the client's account. The key idea, of course, is that an agency's compensation should match its work load.

We will only repeat here that the trend is clearly away from the flat 15 percent commission on billings to a reduced commission, fee-plus-commission, or fee-only arrangements. An agency that creates several campaigns for a client, or has to modify the ads frequently (as in airline or retail account, whose prices change all the time), or does substantial new work on small- billing brands probably does not make enough money on a flat commission and deserves to negotiate additional fees. On the other hand, an agency that essentially dose only maintenance work on long-running campaigns for big-billing brands should probably expect cost conscious clients to negotiate lower commission rates with it.

More than the long-term compensation structure, it is the cost-plus expenses that the agency incurs on the client's account that are often the source of friction. Clients are usually accustomed to tight cost controls; many agency people, on the other hand, knowingly or unknowingly treat the clients money as someone else's money (which it is)-money that can be freely spent. In this context, particular mention must be made of commercial of a brand's overall budget-the brand may be spending $20 million, and three ads in the campaign many cost $450,000 to produce - it is also true that ads are often produced to

lavish production budgets, and this can breed resentment and a sense of wasteful spending in the client.

An ad's production costs go up when it requires a distant, high-cost shooting location, a high-priced director, expensive props, an expensive endorser, and when ad hoc "on- location" Changes are made in the ad, rather than in "preproduction" meetings. Costs can be reduced by getting multiple bids from different production houses (which charge a 35-to 50- percent markup on their own costs) and by carefully scrutinizing every element of these bids, often with the assistance of consultants. Here, it is important for, the agency creatives to remember the cost implications when they write a commercial: the same message can often be communicated equally effectively at a much lower production cost (though it is also true that today's video-sophisticated consumers expect expensive, Slick "production values "in today's TV commercials).

For example, consider the launch of a new type of motor oil, which (among other advantages) won't freeze at low temperatures. One possible ad in this situation might involve freezing a car in a block of ice, photographing it through time lapse photography as the ice melts over thirty-six hours, then using special effects to show the motor oil's logo catching fore and the car burshing through an oversized paper logo, using expensive special-effects photography. A second creative photographic possibility might be simply to open a commercial freezer locker to rose (which shatters) and then picking up the can of the oil (which pours easily). Clearly, the second ad will cost much less, yet be as effective.

As the commercial production consultant Hooper White writes,17 "production dollars are typed into the spot by the writer and drawn into it by the art director... cost control in production is a before-the-fact exercise... the most effective cost control is exercised by agency creative directors, not by outside consultants".

5.7 THE ONGOING RELATIONSHIP: REVIEWS AND AUDITS

It is usually considered a good idea for the client to have a system of regular performance reviews, in which latent sources of dissatisfaction on both aides can be aired and, it is hoped, resolved. This way, if the agency's performance is unsatisfactory, the agency can take early remedial steps, instead of finding out by surprise one day that it has been fired.

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For example, if the client is unhappy with the quality of the creative output, the agency can bring a new creative team to work on the client's account or have talent from the agency's other offices contribute ideas. This way, the client can get the fresh creative it wants, without sacrificing the entire, long-term relationship with its present agency a set of criteria to be used in such audits has been proposed by Paul Michell, consisting of a review of changes in the environment, of changes in organizational and individual relationships (communication, openness, and interpersonal styles, etc.).

5.8 ADVERTISING, WHAT DISTINGUISHES - A GREAT CLIENT...

5.8.1 Ten Principles for Building a Better Relationship with your Agency

Ammirati & Puris, the New York-based ad agency, was asked by its client. Brown- Forman Inc., a simple yet provocative question: What distinguishers a great client?

The question is one that has been tackled before. A great deal has already been written on the subject, from clients and agencies alike. It's interesting to note a remarkable ,consistency, be it from clients or agencies, from recent documents or those written decades ago. We are not out to reinvent the wheel here; we want to make points that have been made elsewhere. As might be expected, we've added our own perspective.

> ***Check your progress***
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> 2. Top management of advertising agency called
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Here are ten principles that distinguish the great clients:

i. Inculcate a spirit of Partnership

It is an irony of the business that those clients who pause to ask., "What makes for a great client?" probably already are. That those clients who think to ask, "What can we do to help make better advertising?" often already have very good advertising. And those who ask their agencies for advice in these areas are, by thinking to ask the very question, already practicing the principles that make agency/client relationship work: partnership, honesty and a constant commitment to make things better.

We have observed that there are two kinds of agency/client relationships. There are those in which the client attempts to establish a superior/ subordinate relationship and those in which agency and client are equal partners. The former is all too common in our industry an astonishing fact given that this kind of relationship rarely results in great work. The "superior / sub-

ordinate" relationships are characterized by an atmosphere of mistrust, a lack of respect for the expertise of the agency, and undercurrents of intimidation. It is always clear that the client will make the agency pay if something goes wrong. It is always clear that the client is ready to exercise the option to dismiss the agency.

In Advertising, What Distinguishes a Great Client?", Adweek, February 15, 1988, pp. 36-38. O ASM Communications, Inc. used with permission from Adweek Magazine.

In some instances, the condition is the sorry result of mismanagement. In others, unfortunately, it is the client's preferred strategy for dealing with the agency, based on the premise that the agency must be pressured and even threatened before it will exert itself sufficiently on the client's behalf. But the irony is that mediocre advertising inevitably results. Threatened people seek safe solutions, conventional, tried-and-true approaches that may appear sound, but which go unnoticed amid the overwhelming clutter of other "safe" commercial messages.

In our view, the great agency/client relationships are those based on equal partnership. Fear, intimidation and disrespect have no place. And it is precisely the absence of fear that makes the relationship work. That allows for honesty. That allows agencies to disagree with their clients, t argue, to take the great risks that almost inevitably are required to achieve great results. It also allows agencies to admit when they have failed. Great advertising is the product of a very real partnership, a joint effort, based on mutual respect of intelligence and expertise. So, the simplest answer to the question is that great clients insist on a spirit of partnership. What follows are the ways this spirit is most clearly manifested.

ii. Be Wary of Change for Change's Sake

We noted with interest the question: "Who's hot and why?" We encourage a healthy skepticism. One of the greatest sins an advertising agency can commit is to imitate an advertising trend. The flood of new wave" commercials of a few years back and the recent rask of "cinema verite," black-and-white footage shot with hand-held cameras, are testments to how often agencies jump on the bandwagon.

By imitating a trend, the agency fails by definition to achieve its first purpose: to provide a distinctive image for a client. By the time a trend carches on, it is old news. Each new imitation blends in all the more.

We think that success in advertising is achieved by finding a long-term positioning and sticking with it. Advertising must be designed to defy "trends". We are very proud of the fact that our first television commercial for BMW-filmed in 1976-could air today and look thoroughly up to date. So we would urge our clients to be less concerned with what other advertisers are doing or with trends in the advertising industry. Instead, we would urge clients to tune into changes in the consumer.

iii. Make sure your agency is making a fair profit on your account

This is a seemingly self-serving suggestion, to be sure. But there is considerable self-interest to the client, as well. If a client's demands relative to his budget make its account unprofitable, that account will be less important to the agency. It may not get the same attention. In a crisis, it mazy not get the extra help it needs.

iv. Make the agency totally absorbed in the company's product, the people and the corporate culture

Great clients totally immerse their agencies in their products. This is hard work for both client and agency. It often costs lots of money to send an agency person to operations centers, to sales force meetings. It involves risks: bringing your agency inside the company so it can witness its weakness and know its secrets. But, it is only in this thorough immersion that agency people can learn facts that become symbols-the parts that stand for the whole. That UPS washes their planes to achieve greater operating efficiency. That Waterford takes "1,120 times longer than necessary" to make a glass. That 400 brand new BMWs are destroyed in tests every year as part of that company's advertising campaign.

Yet these facts are simply the most tangible and obvious by-products of a thorough understanding of the product. The far most important part of the "thorough immersion" is that the agency team will have a feel for the clients corporate culture in their fingertips. Client companies are exceedingly different: some are cautions, conservative; others are risky. Some pride themselves on their efficiency: others their commitment to service. But virtually all are proud of their personality.

In our view, the real value of the "total immersion is that when an agency team thoroughly understands a client's "corporate culture," it will be more likely to create campaigns that last. It goes without saying that the advertiser who keeps a single campaign for a decade will have a greater cumu-

lative success than one who changes every year. But the simple fact is that many of great campaigns do not "work immediately. If a campaign precisely reflects the advertiser's corporate culture, there is a better chance a client will stick with it. If it evokes a sense of corporate pride or articulates a corporate mission, a client will give it longer to work. That is the real benefit of "total immersion.

v. Create an environment of experimentation and be prepared to pay for failure

Probably nothing predicts mediocrity in advertising quite so precisely as environment of risk aversion. This form f fear is a very human response to the ever-increasing costs of television production, coupled with the diminishing value of each dollar invested in media. It is natural to want to conform to rules and formulas in the quest for a measure of certainly that the outcome f the development process will be viable advertising. But the sad truth is that very few advertisers have the massive budgets to ensure that a plodding and unobtrusive television commercial will, through omnipresence, ultimately enter the targets mind. Most advertisers spend at a lower level-al-level at which you cannot afford to change messages frequently. You have to find a winning campaign: one that will stand out, and last. Great clients want advertising that stands out. So great clients an environment of risk-taking, and great clients back up this philosophy with a willingness to pay for experiments that go wrong.

vi. Treat the agency people well

Agency people enjoy the same movies and sports clients do, and they have the same problems with their kids that clients have. Great clients take the time to get to know agency people as people. Great clients know that it is human nature for people to work harder for their friends than for business acquaintances. The happy consequence is that the great client gets more effort out of the agency.

vii. Agree on a clearly defined objective for advertising

We often tell our new business prospects that 80% of advertising has failed before the first word of copy has been written. It's our way of emphasizing the vale of thorough, up-front research and attendant analysis. Similarly, the failure to define or agree upon the precise purpose of advertising dooms the creative process from the start.

It is an irony that creative strategies are often "approved" with an alarm-

ing lack of discussion-but creative executions are scrutinized with a fine-tooth comb, often at numerous levels within organization. Then our creative direction would be precise, our marching orders unambiguous.

It's often in cases of outright failures that truly great clients stand out. We have all experienced big disappointment in our own work. Great clients know these moments are exactly the time to encourage further risk taking.

viii. Keep approvals simple, and disapprovals kind

Nothing will sap the energy level of an agency more that presenting the same work over and over at succeeding layers of the client's organization, debating the nuances of the copy at every step of the way. The best system for approval of advertising is, frankly, to have as few layers as possible. And yes, this does mean one layer is best.

If there is disagreement, there are these extremely simple axioms. First, be honest. It's very frustrating to be told after the production is complete, "Well, I never really loved this in layout form, but I went along with you because you were so adamant." If clients don't like something, they must say so. Second, be specific. Don't ask for a new execution because this one "doesn't do it for me. Fight hard to articulate the problem. Only then can it be addressed. Third, be kind. It helps to think of commenting on copy as if you are evaluating the person who wrote it-even though, of course, you are not. But that is, somewhat inevitably, the way the writer takes criticism. So, trite as it may sound, great clients are kind. They find ways to keep the creative persons whole, by commenting on what it terrific about the work, or, very simple, by demonstrating that they have listened very carefully to the agency's point of view and respect it.

ix. Make the agency responsible for the advertising and give it the authority it needs to be responsible

One exceedingly difficult line a great client must walk is that of involvement in the process. On One extreme of the spectrum are clients who would wash their hands of the whole mess, charging the agency with "complete responsibility for the advertising". Often, this lack of involvement is just a way for the client to avoid sharing responsibility for the end results. It is a way to hold the agency and its advertising at arm's length until the outcome is certain. At the other end of this spectrum are those who say that the advertising is the agency's responsibility, yet consistently deny the approval that empowers the agency to realize its vision.

This takes all forms. The agency recommends a specific headline, a certain director, a particular day part mix. A client may disagree. But the ideal client does not mandate specific changes. Clients cannot tell an agency that it must achieve its stated goal in a particular television production while mandating that it use a director it does not want to use. Great clients state precisely why they disagree, and then challenge the agency to find a solution that both parties can feel response for.

The client-agency relationship

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x. Give the agency a formal evaluation every year

This sounds more unpleasant than it is. Good agencies rather enjoy the idea that the client will periodically reflect on whether his advertising is better or worse. And, any agency wants to know if there is a major problem before reading about it in the trade press.

Great clients draw up the terms of evaluation-like everything else-in partnership with the agency. And-very importantly-great clients write this evaluation themselves, and they personally review it with agency management. Delegating this function to juniors (often done on the theory that they work most directly with the agency), can make the review too narrow.

Selecting or Changing an Agency

Clients usually begin an agency search by putting up their account for a "review". In which both the incumbent agency and invited new agencies could be asked to make presentations to retain or obtain the account. Such a review could be a regular periodic one, or be precipitated by some unhappiness with the quality or the creative work the client thinks it has been receiving from the incumbent agency, or be sparked by an unsolicited contact from one of the "new business" departments of a non incumbent agency. Agencies often maintain special new business departments, with individuals (nicknamed "rainmakers") charged with the responsibility of getting new business.

Check your progress

3. The ten principles for building a better relationship with your agency, a survey conducted by ______ the New York based ad agency

Sometimes the sources of friction with the current agency could be a change in marketing strategy at the client, with a perception that the current agency is unable or unwilling to implement the new strategy. The dissatisfaction might be caused by poor sales or market share performance, or heightened competitive activity (leading t an agency change as a "quick fix"). Or it might be caused by disputes over agency compensation (sometimes initiated by the agency, which feels it is making too little money on the account). A frequent catalyst for change is the appointment of new marketing or advertising chief at the client, who brings a new perspective (and a different set of

agency loyalties an contracts to his or her new job (the "new broom" syndrome). Such personnel shifts are sometimes caused by a change in ownership of the client, such as merger or acquisition activity. Sometimes it is personnel shifts at the agency that lead to client dissatisfaction, or changes in agency policies.

A recent development has been agency changes caused by changes in client servicing needs, such as the need for global account servicing, the need for specialty advertiser services, r simply the need for wider agency involvement as clients move to creating more integrated communications. A recent example was Reeboks decision in September 1993 to move its account from the small Chait/Day agency to much-bigger Leo Burnett, ostensibly because Burnet could better serve Reebook's needs to grow internationally. According to Reebook's top marketing executives. Chiat did not have the global resources".

Clients selecting a new agency are sometimes advised by one of several agency selection consulting firms. A study by James Cagley showed that in making this selection, clients place high weight on the quality and number of people assigned to the account, their creative abilities, a perceived similarity of objectives and operating styles (including personal "chemistry"), the degree of understanding displayed by the agency of the client's business, the agency's reputation for integrity, the agency's reputation for making - and sticking up for - recommendations, and so on. Also important are the agency's size and stability, its servicing strategic planning, market research and media buying abilities, and the compensation and cost-control aspects.

Of course, the situational importance of these varies across clients and situations. In fact, personal contacts between agency heads and client top management, and positive recommendations from satisfied clients, have been found to be key to agencies' winning new client business. It is important to note at this point that a smart client will not simply select an agency that thinks exactly like the .client personnel do, but rather will choose one that ides a complementary perspective.

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Probably the most important aspect, however, is the absence of account conflicts. Clients will simply not give their account to an agency which already services a competitor - with the notion of a competitor sometimes being de-

fined rather broadly, for example, Hallmark the greadings card company, once switched its account from Young & Rubicam because Y & R had a part of the AT & T long-distance telephony service account. The frequency of conflicts increase as the client business undergoes mergers and consolidations - we are rapidly reaching the stage at which a handful of mega corporations in the consumer packaged - goods fields have brands in almost every product category (e.g., Procter & Gamble / Richardson - Vicks 7-Noxell, Phillip Morris / General Foods / Kraft, Unilever / Chesebrough Pond's / Lipton, Nestle / Carnation/etc). This tendency has accelerated as companies introduce more brands, in response to greater consumer segmentation.

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At the briefing session, and in the briefing document, the agency should be given all the information they might need to come up with strategic and creative ideas-product information, competitive information, consumer information, legal information, etc, It is vital that the agency be provided with the problem that the client has, but not with any suggested advertising solution to that problem-because coming up with the solution is what the agency is being hired to do. Any solution-suggestions by the client will only serve to limit and inhibit the agencies creative response. Some of the most famous ad campaign ideas have been born of agency folk asking "way out" questions. Legend has it that Dove soap came up with the claim "contains one-quarter cream" when the agency creative director, at the briefing, asked the scientist what the soap ingredient stearic acid really was, and was told that stearic acids are a main ingredient in face cream. What the client never saw in that fact, the agency creatives did - because they were allowed to let their minds roam freely.

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A key element of this relationship has to be the desire and willingness of the client to support creative work that is not simply "safe" but instead is bold

and takes risks-as long as it is on strategy. This can happen only if the approval process is kept short and simple without several layers of management, and without committees, each trying to rewrite the ad and nitpick different creative elements. The approval process needs to use, but not rely exclusively on, research, and the people making the approvals on the client side need to be trained to recognize and approve fresh but on target creative work. A standard agency complaint is that most MBA brand, managers are typically overly analytical, risk-averse, and committee -oriented and have little training in recongnizing good creative work.

However, in standing up for what it believes is right, the agency should not be arrogant, and should not seek creative awards for their own sake but seek the kind of creative work that is appropriate to the client's strategic objectives. It is also important that the agency not. shuffle people-creative, account, and top management-from the client's account simply because it begins to take the client's business for granted. Great attention ne.eds to be placed on creating and maintaining the chemistry and rapport in the day-to-day agency- client relationship.13 Budgets, details and deadlines must be respected. There should be good communications with the client-clients have unpleasant surprises.

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Fees and commissions both have advantages and disadvantages while commissions are not tailored to the amount of work and can lead to agencies making biased recommendations on how much money the client should spend, fees can lead too much client interference in agency operations can lead to .nitpicking and friction and can create a dangerous "meter-running" mentality in which the quality of work can get hurt. Many clients negotiate the right to inspect the agency's books annually for the client's account to see if it is making too much money on it.

More than the long-term compensation structure, it is the cost-plus ex-

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> ***Check your progress***
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> 4. MARG conducted by a survey on ad agencies in Dec1989 with an aim to understand
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Image of the Image Makers: MARG Survey on Ad Agencies

MARG conducted a survey on ad agencies in Dec. 1989 with an aim to understand client-agency relationships. A structured questionnaire was administered to a select 102 companies. Besides, qualitative data were obtained by depth interview and projective techniques.

The survey revealed four interesting patterns of client-agency relationships:

(a) Parent - child relationship: Here the agency holds the hand of the client, and guides him at every stage.

(b) Equal partnership relationship: Both the agency and the client are fairly demanding of each other. They sort out their problems jointly.

(c) Unequal partnership relationship: The client feels no need to understand the agency. It is really the agency which is expected to understand the client.

(d) Deliver-and-out relationship: .The client order when there is a need. The client keeps relationship with several agencies. The agency supplies the services and closes the deal.

Findings of the Survey

1. The more competitive the market, the stronger is the position of the agency. In 47 p.c. of the relationships examined, the agency was rarely or never called upon to participate in marketing planning meetings.
2. The agencies, contrary to popular belief, fare poorly with respect of generation of new ideas. In almost 3/4th of the cases examined, the clients said agencies did not provide the new ideas.
3. In less than 10p.c. of the cases does an agency have a right to chalk out communication strategy independently. Neither do they have any say in budgeting or media planning.
4. In half the cases the agency always acted as supplier of copy with visuals and executed the given brief and provided alternative execution to make client choice easy.

To sum up, clients do not expect their agency to operate as an extension of their marketing arm.

5. About 40 p.c. companies did change their ad agencies in the last two years.
6. Clients tend to choose multiple agencies.
7. Clients put agencies into the following five categories:

(i) Large well-established agencies: They have mostly international tie-ups. They have a glorious history. They offer wide-range of services at different locations. Their creative effort may not fetch awards, but they have the sales potential.

(ii) Super-department stores: They offer wides range of services and are suited to big spenders, rather than the smaller ones. The clients prefer the safety offered by them, rather than the creative sparkle. However, these agencies lack personal touch.

(iii) Boutiques: Their infrastructure is just sufficient for clients, though it is not heavy. Their work culture is more informal than super department stores. The creative edge is their strong point; usually provided by a few star personalities. They are guided more by gut feeling than by a systematic strategic planning approach. For newcomers, and for those who prefer creative campaigns, these agencies are a good choice.

(iv) Agencies for modest spenders: Small Indian private sector companies call on them.

(v) Sweat Shops: These agencies take up any job; They are local one-city operators. They are highly responsive. Their costs are low. The service is personalized and involved.

Factor	*Percentage Saying*
Quality of advertising output	79
Demographics	40
Attitude and investment	40
Servicing nuts and bolts	35
Specific expertise	28
Word of mouth	25
People power	20
Marketing orientation	7
Connection and associations	4

8. The following factors put an agency on top:

9. The following factors are the irritants in relationship:

 (i) Poor servicing, (ii) lack of understanding of product objectives/brief, (iii) poor creative output, (iv) billing disputes.

5.9 SUMMARY

The chapter discusses the client agency relationship, principles of Building a better relationship with Agency and Account conflicts. All myriad aspects of the pulls and pushes of the highly complex minute of the quicksilver relationship to examined shred by shred.

5.10 ANSWER TO CHECK YOUR PROGRESS

1. Volney B.Palmer
2. Plans Board
3. Ammirati & puris
4. client- agency relationship

5.11 MODEL QUESTIONS

1. What are the basic principles of Agency Client relationship?
2. What are the criteria that one should apply in selection of an Advertising Agency?
3. What are the ten principles for building a better relationship with the Advertising agency?
4. What are the findings of MARG survey on Advertising Agencies?

NOTES

CREATIVE APPROACHES

STRUCTURE

6.1 Introduction
6.2 Unit objectives
6.3 Rational Creative Approaches
6.4 Emotional Creative Approaches
6.5 Distraction Effect
6.6 The Art of Copywriting
6.7 Advertising on the Internet
6.8 Layout
6.9 Types of Television Commercials
6.10 Creative Styles
6.11 Production and Implementation
6.12 A Model of the Creation and Production Process
6.13 Creating Rough TV Ads
6.14 Broadcast Production
6.15 Summary
6.16 Answer to check your progress
6.17 Model questions

6.1 INTRODUCTION

After an advertiser decides on the content of an ad-the "what to say" decision, the task of creating the ad itself is usually handed off to the creative people at the ad agency. Before these writers and art directors proceed to conceptualizing and creating the ad, however, it is usually a good idea to give some thought to the broad framework within which the ad should be created: what kind of appeal should the ad utilize? For instance, should be a type of

emotional appeal, such as fear, or humour? Should it use an endorser, and if so, what kind of endorser an expert in that product category, or a likable celebrity? While decisions of this sort are not always part of the advertising planning process at either the client or the agency (because of a desire not to limit the flexibility of the creatives, or because of ignorance), the ad creation process could undoubtedly benefit from the accumulated knowledge on when each of these creative approaches is most appropriate, and how each can be implemented most effectively. This chapter will thus present some material on various creative approaches (such as the use of endorsers, or of comparisons), focusing both on when each approach is most appropriate, as well as how it is best implemented. We will discuss, in turn, the use of comparative and reputational advertising, of emotional advertising (such as advertising that employs fear or humor), and of endorsers.

6.2 UNIT OBJECTIVES

- Find the theoretical background of creative approach
- Examine Rational Creative approaches
- Analysis the model of source factors advertising
- Describe the Distraction Effect
- Discuss Production and Implementation

6.3 RATIONAL CREATIVE APPROACHES

6.3.1 Comparative Advertising

Comparative advertising is a form of advertising in which two or more named or recognizable brands of the same product class are compared and the comparison is made in terms of one or more product attributes. The comparisons can be implicit (brands implied but not named), or explicit (brands named); the comparisons can be verbal or visual; and the claims can be of complete superiority, of superiority in some attributes but not in others, or parity; and the advertised brand can have a market share smaller than, roughly equal to, or greater than the comparison brand. Obviously, not all types of comparative ads are equally effective, and we will discuss below what is currently known about which types work best.

6.3.2 Effectiveness of Comparative Ads

Is a comparative advertisement more effective than a no comparative one? Much research has focused on this question, and the evidence on greater

effectiveness is often equivocal. The results seem to vary not only upon the specific kind of comparative ad used and the brands involved, but also on the measure of effectiveness used (attention/recall, perceived similarity, or persuasion) and even the specific questionnaire scales used to measure effectiveness.

The effectiveness of comparative ads sometimes lies not in raising the preference ratings of the advertised brand, but in lowering the preference ratings of the comparison brands, or even in simply increasing the perceived similarity of the advertised and comparison brands without affecting any preference measures at all. It is thus important, in copy testing or tracking the effectiveness of comparative ads, to measure beliefs and preferences not only toward the advertised brand but also toward competitions, as well as measure perceived similarities among these brands.

If attention and recall are used as the measures of ad effectiveness, various studies have shown that comparative ads do usually get more attention and higher recall than non competive ads. Naveen Donthu, researcher in the area, found that the gain in recall was if the comparison on specific attributes, and only making a one-sided claim. Cornelia Pechamann and David Stewart found that the effects of comparative ads on other measures of effectiveness, such as persuasion, wee at least partly due to this increased attention-grabbing ability, and other researchers have noted that because of this interest evoking ability comparative ads often succeed in increasing the extent to which consumers process the nformation contained in the ad.

6.3.3 Misidentification

Consumer advocates and the Federal Trade Commission, which legalized comparative advertising in the U.S in 1971, have argued that the increased (and more "distinctive") information in comparative ads should be beneficial to consumers and increase the chances for better decision making. Many researchers have, however, found that comparative advertising that names competitors can lead to greater consumer confusion about which brand sponsoring the ad, especially if the ad is being run on TV or radio, where more confusion is likely.

Indeed, the frequent occurrence of such "sponsor misidentification" is one of the major criticisms against "direct" comparative advertising (where the comparison brand is explicitly named), it is one reason why many companies prefer to run indirect comparative ads, in which they do not name comparison brands directly but imply them by showing packaging colors shapes /, like the Pepsi and Coca-Cola ads in the TV media.

6.3.4 Leader Vs Followers

Interestingly, research supports the logic that a direct comparative ad from a small market follower is least to lead to higher awareness for the compared-to-market leader because the market leader already has high awareness), whereas a market-leading high share brand has the most to lose from a direct comparative ad, by creating "free" awareness for the compared-to-smaller brand. This leads to the conclusion that while low-share brands ought to use direct comparative ads, market leaders perhaps ought to use non comparative or indirectly comparative ads (those that don't name competitors). This suggests that while visa credit cards might gain by comparing itself to American Express (which has more prestige 1994), American Express might not gain by comparing itself in its ads with VISA. (Both companies ran such comparative ads, comparing themselves with each other, in 1993 and 1994)

These studies thus lend support to the idea that comparative advertising by new brands or challenger brands makes sense as an excellent positioning tool. By the same token, market leaders might be better off not comparing themselves to market followers, for fear of giving them legitimacy. As one senior marketing executive puts it, "comparative ads are good when you're new. But when you're the standard, it just gives a lot of free publicity to you competitors". This similarity-increasing effect, however, seems to depend on the nature of the attributes used; one study suggests that direct comparative ads increase the similarity of the advertised and compared to brand on attributes not featured in the ad. However, they simultaneously differentiate the brands by lowering consumer perceptions of the compared to brand on the specific attribute used in the comparison.

6.3.5 Effects on Persuasion

Thus far, we have talked about how a comparative ad might help the advertised brand by gaining it "extra" attention and by bringing it perceptually "closer" to the comparison brand. Do these gains necessarily also translate into increased preference for the advertised brand? Not always. Gorn and Weinberg, whose study was cited earlier, found that while a comparative did bridge the perceived "distance" between the "leader" and the "challenger" brand, it did not significantly raise the attitude toward the advertised toward the advertised brand. Many other studies have also failed to find such attitude-enhancing effects.

These failures could be due, in part, to the fact that these studies,

often failed to measure (and could not therefore find) possible decreases in consumer's attitudes toward the comparison brand. It has also been shown, however, that comparative ads often fail to sway attitudes and preferences because, while people may indeed notice them more; they nonetheless may consider a comparative ad offensive, less credible, and less informative especially if they happen to like the brand being shown in a negative light). In fact, there is some evidence that consumer's liking for comparative ads goes up with the "intensity" of the comparative ad, but only up to a point-ads that are "too intense" appear to be disliked

Many studies have shown that comparative ads often evoke such and unfavourable attitudinal reaction because they are perceived as less truthful. Obviously, therefore comparative ads ought to be designed in ways that try to reduce such counter arguing. Message content that tries to stay as factual and "objective" as possible can reduce such counter argumentation. It helps to include a credible source, and to get the target audience involved in the ad, so they are motivates to actually the invited comparison, rather than dismissing it out of hand. It also helps to make the comparison in as "positive" a manner as possible: rather than derogate the comparison brand, it is better to claim superiority over the comparison brand in a nonderogatory manner.

6.3.6 Two-sided Versus One-sided Comparative Ads

William Swinyard, Michael Etgar and Stephaen Goodwin, and others have also argued that there is more counter arguing if the message is one-sided instead of two-sided (A message is one-sided if it presents only positive arguments or presented). Two-sided ads are few as more credible, because they admit that the advertised brands have some seen as comings. However, not all tow-sided ads beat one-sided ads in credibility: research has shown that two-sided ads are especially credible when the attribute on which the weakness is admitted is (a)relatively unimportant, but not trivial, to consumers; (b)perceived to be negatively correlated with the attribute on which superiority is claimed (e.g., we are more expensive (weakness), but only because we give you higher quality"); (c)one that would not otherwise be known to consumers prior to purchase, so that the advertiser gains some brownie points" for honesty. (A brownie point is an expression in advertising that denotes a phenomenon where a customer has a positive alerted to a company which espouses the weakness of a competitor.

Other research has also shown the general superiority of two-sided

appeals, especially with more educated audiences, and with those consumers initially opposed to the brand making the claims, and on attributes rather than purchase intentions. These results suggest that comparative ads are more likely to be persuasive in changing brand attitudes if they are two-sided rather than one-sided.

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6.3.7 Open-Ended Vs Close-Ended Comparisons

Another relevant issue is whether conclusions and arguments should be spelled out explicitly in a comparative advertisement or whether the receiver should be left to draw his or her own conclusion about the superiority of the brand sponsoring the comparison. It is often advantageous to leave something out of a message: the closure principle as in a sale is helpful. Leaving something out can stimulate curiosity and motivation to seek additional information about the brand and lead to a consumer-generated belief that is relatively more powerful than a belief created by an explicit statement in the ad. This would argue for not making explicit claims of the sponsoring brand's superiority.

However, there is some risk in assuming that a receiver will "draw his own conclusions. "Research suggests that conclusions should be stated explicitly when there is significant chance that the audience will not be motivated or the unable to draw their own conclusions, or when there are real risks of having them draw the wrong conclusions. Alan Sawyer and Daniel Howard found that if the audience is involved in the message, and if the message is one where a conclusion can be easily drawn , an open-ended message (where no explicit conclusion was drawn) led to greater brand attitudes, intentions, and choice than a close-ended message (there was no difference for an uninvolved audience).

Consistent with this finding, Mita Sujan and Christine Dekleva have found that comparative ads gain in relative effectiveness when aimed at more expert consumers and when they make comparisons with specific, well-known brands (rather than types of brands), because the comparative ad can be interpreted more unambiguously under these conditions.

6.3.8 Inoculate Advertising: Building Resistant Attitudes

Can a person be made to resist attempts by competitors or outside influences to change his or her attitudes?

A great deal of advertising activity is associated with this goal of "defensive" marketing. Given that we have developed favorable patronage-have a good share of market, for example-how can it be sustained? In attitude theory items, how can we induce those currently loyal to our brand to remain loyal?

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A consumer can be made more resistant to competitive appeals either by attempting to make a brand offering more attractive, or by attempting to train the consumer to withstand the persuasive efforts of competitors. From the first viewpoint, for example, one strategy would be to anchor beliefs about the brand t other beliefs that the consumer values highlt. The brand might be shown to be significant in maintain one's self-esteem or in otherwise enhancing the ego in various ways.

The alternative, of attempting to train a consumer to withstand competitive attracks, has been the subject of some empirical work in marketing. The diffusion of advertising messages can be thought of as similar to the diffusion of germs in the spread of a disease through a population. If individuals are given weakened doses of the germs, they can build defenses to withstand the more potent ones, and thus be made resistant to the disease when exposed to it. The medical or biological analogy is, of course, the notion of inoculation approach. In the advertising context, it has been demonstrated that pre exposure to weakened forms of counterargument (arguments counter to the position or object being defended) is more effective in building up resistance to strong subsequent attacks than is a simple repetition of supportive argument. Other research has shown that a reputation appeal provides a greater resistance to attack than a standard supportive appeal.

6.3.9 Reputation Advertising

Another term closely related to inoculation is refutation. It refers to the process of explicitly or implicitly stating competitive appeals (or consumer beliefs) and then refuting them, instead of dealing exclusively with brand benefits (supportive advertising). Hertz and Avis in the car rental business in the USA's advertising are examples of both reputation and supportive advertising. For many years, Hertz as a leader, market used a supportive approach, emphasizing the many benefits of renting a Hertz car. Avis, on the other hand, refuted the implicit claim that No.1 equals the best by suggesting that No.2 tries harder.

1. Another example of a reputation automotive ad is the one for Nissan in which Nissan tries to refute the perception that Honda and Toyota are the better-quality Japanese imports. They are more stimulating than supportive messages. They underline conflict and get people concerned about an area. This motivating factor alone can be quite effective, since refutation defenses can work even if they deal with claims other than those that appear in subsequent attacks.

> ***Check your progress***
>
> 1. "Good Advertising" is a dialogue with people that lets them bring something to the communication process by
>
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2. They refute counterclaims and thus make the competive attacks appear less creditable when they appear. This refutation is probably quite satisfying. Statements of counterclaims can arouse dissonance or imbalance. The refutation can restore balance.

3. Refutation messages do contain some supportive information, even though less than supportive messages.

Other research by Michael Karmins and Henny Assael has also shown that reputation ad lead consumers to generate more support-arguments and fewer source derogations than ads with only supportive information. One disadvantage of reputation messages is that they provide a viewer with information about a competitor's product and thus might enhance rather than defend against competitive alternative. It is nevertheless, a preferred approach to market situation in which the goal of an advertiser is to build resistance to attitude change and defend against competitive attack.

As mentioned earlier, a reputation approach can be useful not only against a competitive claim but also against a prior consumer belief that is negative.

A reputation ad in such as situation might gain even more credibility if it were two sided-conceding that quality in prior years was, in fact, poor but then going on to argue that it has since improved substantially.

6.4 EMOTIONAL CREATIVE APPROACHES

The creative approaches discussed thus far are "rational" in the sense that they rely for their persuasive power on arguments, or reasons, about brand attributes. For instance, a comparative approach attempts to show, based on reasons, why the sponsoring brand is superior to competition. There is, of course, the whole category of creative approaches that rely on emotions or feelings for their effectiveness, such as the attempted evocation of warmth and affection, or urgency and excitement, or the use of humor, or of fear.

The role of feeling responses to advertising, including the use of humour or fear, etc, by any of emotion-evoking creative approaches are most suitable when the product category is one where, typically, consumers buy the product because of a "feeling" benefit-either the low-involvement "small pleasures" of candy or soda pop or the highly involving feelings associated with fragrances, sports cars, and jewellery, Emotion-evoking creative approaches do not appear to be very successful in "high-involvement, thinking" situations.

6.4.1 Using An Endorser

Advertisers often use endorsers for their products or services – and this makes many endorsers very rich. Basketball starr Micahael Jordan reportedly earned $36 million per year in endorsement fees when he retired in 1993. ($18 million from Nike, which created its Air Jordan line of basketball shoes around him; $2 million from Gatorade, which urged consumers to drink Gatorade to "Be like Mike" $3 to $4 million from sara Lee/Hanes, $2 to $3 million from wheaties, and others.)

Other sports stars, including top golfers like Arnold Palmer, Jack Niclaus, and Greg Norman, football quarterbacks like Joe Montana, ice hockey star Wayne Gretzky, and tennis champ Andre Agassi also earn millions of dollars every year from advertising endorsements. Star entertainers get rich too; Michael Jackson is reported to have received$5.5 million in 11984 and Madonna $5.0 million in 1989 for appearing in Pepsi's commercial. In India Tendulakar features in most advertisements and the most sought after endorser the question therefore arises; what did these advertisers get in return? When should endorsers be used, and how and when do they help a brand?

In brief, research and common suggest three types of benefits. First, endorsers *enhance advertising readership (*or viewership or listenership) scores. Second, endorsers can induce positive attitude change toward a company and its products. In general, the more credible a source, the more persuasive that source is likely to be. Third, the personality characteristics of the endorser can get associated with a *brand's imagery.* These benefits are not automatic, however, and obtaining them requires a careful consideration of a brands marketing or advertising needs, and an endorsers characteristics.

There are two ways of thinking about an endorser's characteristics. The traditional way is to think of endorser is a "source" of the information in the ad, contributing to the acceptability of the content of (argument in) the message because of the source's credibility or attractiveness. The second, more recent, way is to think of the endorser as possessing some symbolic properties, which are transferred from the endorser to the endorser brand (through advertising) and then from a brand to the consumer (through the acts of purchasing and consuming or owing the brand).

According to this meaning transfer model popularized by McCracken, brands benefits from association with endorsers because endorsers acquire or possess particular configurations of cultural meaning that cannot be found elsewhere. Thus, for instance, the symbolic cultural meanings linked to Michael

Jackson and Madonna – presumably their antiestablishment, which then helped Pepsi attract the youths and teenagers who form the crucial part of the soft-drink market. Similarly, Coca-Cola hoped that ads featuring pop star George Michael might improve coke's image as being young and modern.

6.4.2 A model of Source Factors in Advertising

The source model, as depicted in the Figure shows various factors of source on which research has focused. The central idea is that consumers view the information in ads as coming from a source, with sources varying in "credibility". (The term credibility should not be interpreted literally, and is explained further below. According to this model, the more credible the source, the more persuasive he or she is likely to be in getting the audience to accept the ad's message.

Shown to the right in Figure are various source components of advertising copy. At the center is the object of the advertising, such as the brand, product, service, idea, political candidate, corporation, and so on. The model shows the credibility of this object to depend on the sponsor, the endorser, the media vehicle, etc.

The sponsor could be the company itself. A famous study by Theodore Levitt, for example, tested whether the effects salespeople representing a prestigious company (Monsanto Chemical), a medium-credible company (denver Chemical), and an anonymous company had a differential impact on purchasing agents. It was found that the better the company's reputation, the better were the salespeople's chances of getting a first hearing for a new product and early adoption of the product. Company source effect declined, however, with the riskness of the decision. For high-risk decisions, the nature of the sales presentation and other factors were more important than the source effect. Another recent study found that an advertiser could successfully make a more extreme (stronger) claim in an ad if it already had a very positive reputation. A firm with a negative prior reputation could not successfully make the same claims, because it lacked the necessary credibility.

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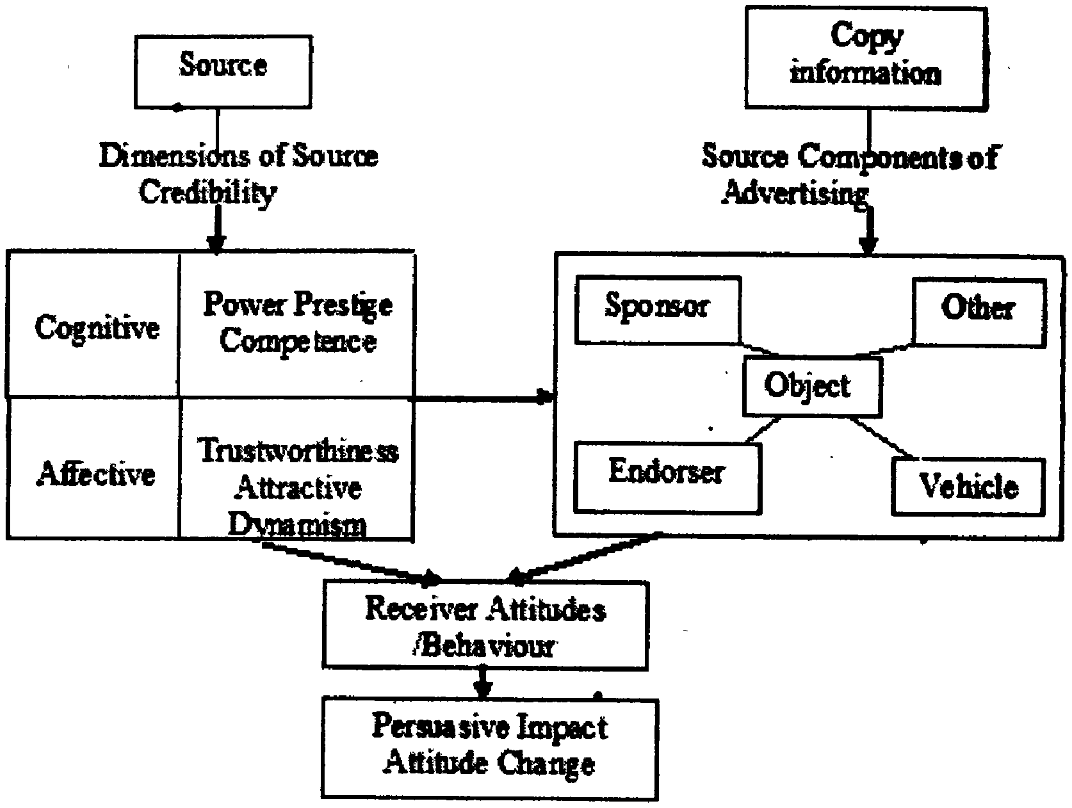

A key source component, our focus here, is the endorser. The **endorser** in an advertisement is the person, celebrity, spokesman, announcer, and so on who endorsers or who demostrates the product. Not all advertisments have an endorser as a copy component, but many of them do. Most of the work on source credibility in advertising has focused on this component, and we shall discuss finding and implications later.

Another aspect is the credibility of the media vehicle itself. The same advertisement appearing the in the ladies home Journal, for example, can have a different impact than if appeared in playboy.

6.4.3 Using Endorsers in Advertising Dimension of a Source

What exactly is meant by the credibility of a source? As shown on the left of Figure, researchers have recognized that some judgment about a source concern a cognitive dimension and others an effective dimension. The *cognitive dimension* include judgement about the power, prestige (from past achievements, reputation, wealth, political power, or visibility), and competence (expertise) of the source. The affective dimension includes judgements about trustworthiness, attractiveness, and dynamism.

Other construct, such as unbiased ness, similarity (between the source and receiver0, and physical attractiveness, have also been the focus of research. Similarity is sometimes important because a source that is presented as

being similar to the audience member in terms of attitudes, opinions, activates, background, social status, or lifestyle could achieve both liking and identification; they are many situations in which people will tend to like people with whom they have things in common. Some companies favour using employees in their commercial because they believe the employees are perceived by consumers to be very similar to themselves and, thus, believable. The research on physical attraction of the source, the greater the likening will be, and the stronger will be persuasive impact.

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A research firm, Marketing Evaluations, annually determines a familiarity and likability rating of top male and female personalities (and cartoon characters) based on a mail questionnaire survey of television viewers.

6.4.4 Selecting An Endorser

The popularity and rating presumably get at the prestige and attractiveness dimensions listed earlier. However, the other dimensions listed must also be considered in selecting an endorser from among the four primary endorser types form which a copywriter must usually choose in selecting an endorser. (1) a celebrity, (2) an expert (3) a typical satisfied customer, and (4) and announcer.

Using a celebrity has the advantage of the publicity and attention-getting power of the celebrity virutually regardless of the product type. Large segments of the audience can instantly recognize and identify with the famous person, and the attraction and goodwill associated with the celebrity can be transferred to the product. Local celebrities or actors and acresses who are not so well known can often be used in local or regional market situtaitons to good effect

Check your progress

2. ________ creative approach do not appear to be very successful in "high-involvement", thinking" situation

On the negative side, celebrities are not usually considered experts, although celebrities can also be experts in some situations. Thus, Micael Jordan is not just a celebrity but an expert in basketball shoes, and a celebrity like TC talk-show host Oprah Winfrey was also an "expert" when she announced to the world in 1988 that she had lost 67 pounds when using a weigh-loss product called Optifast (she had been visibly overweight before). It is very easy, however, to use a celebrity mistakenly for a high-involvement product, a situation in which the consumer is mistakenly for a high-involvement product, a situation in which the consumer is looking for credible information from an expert. For instance, a copier company recently used a basketball and football coach to endorse the reliability of its products.

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Furthermore, celebrities not only cost a lot but are hard to get, and if they are already being used by other advertisers, they may be losing credibility at the time they are chosen. Endorsers are usually contractually prohibited from endorsing similar of competing products through exclusivity clauses in contracts, but they may still be overexposed. Very importantly, if some event happens to reduce the popularity of the celebrity with the public, the publicity could backfire on the associated brand as well. Recent example include the child molestation charges against Michael Jackson, the divorce of Burt Reynolds, Magic Johnson disclosing he had AIDS, the controversy over Madmonna's music video, and the retirement of Micael Jordon.

Research by Michael Kamins suggests that the credibility of celebrity endorsers can be raised if they say things that are only in favour of the brand but also a few things that a one sided ad with a celebrity endorser works better than a one sided ad with the celebrity endorser. And, as noted below, incases in which the audience is already very supportive of the product, a highly credible source might result in less persuasive impact than an endorser which has lesser power and prestige. There is also the very real danger that while the consumer may find the ad with the celebrity entertaining, very little benefit may actually accure to the brand being advertised. This is known as the distraction effect.

An expert is likely to be the best choice when the product is technical or consumers need to be reassured that the product is safe to consume (high-involvement decisions). An expert can allay fears in the audience concerning the product whether those fears arise from not knowing how something works. Concern about side effects, concern about fulfilling a role such as father, mother housewife, and so on,, or health-related concerns about product use. Doctors, dentists, lawyer, engineers, and other kinds of experts can be chosen and at considerably less cost than a national celebrity.

A typical satisfied consumer is often the best choice when it can be anticipated that there will be strong audience identification with the role involved, the person is like many members of the audience, identification with the role involve, the person is like many members of the audience, and attributes of sincerity and trustworthiness are likely to come through. To maximize the naturalness of the situation, it is often useful to use a hidden camera and capture the consumer's real-world reactions to using the product in a situation with which the audience can identify. The choice might be a child rather than an adult, or an animal, such as an enthusiastic dog for a dog food commercial.

The national or local talk show in television, and a great deal of local radio advertising, typifies the choice of the announcer format. Local radio disk jockeys are classic example of using an announcer spokesperson as the essential source component. Announcers are more like celebrites than experts, in that they confer some notoriety to the brand, with the likely advantage of some trustworthiness. The actual copy generation process is often less expensive because only the script and, in television, some simple props must provided. This does not imply that the media buy will be less expensive, but the trade-off is really deciding to put more money in to the media buy than into copy production. The addition of props or ways to have the announcer do more than simply sit behind a desk and talk about the product can often enhance the persuasive impact considerably.

As we said earlier, the key criterion in selecting an endorser must be the appropriateness of the match or between the needs of the brand and the characteristics of the endorser. Research shows that the effectiveness of an endorser is related to the type of product being endorsed in an experiment comparing the impact of using an expert rather than a typical consumer or celebrity. In contrast, celebrities are often some effective in situations where the product has a high element of psychological and social risk (e.g., costume jeweller). Good reviews of the source credibility literature are available.

In general, when the purchase is based most strongly on the brand awareness and / or likability (such as in many low-involvement purchase decisions), the more appropriate a celebrity endorser is likely to be.

In contrast, experts and not celebrities are likely to be more appropriate for more rational and highlt involved purchase decisions. If the purchase is driven by logical reasons why a brand is better, then a celebrity may be a waste of money; a noncelebrity may be a waste of money; a non celebrity might be equally effective, and a lot cheaper. Thus, returning to our chapter-opening example, mutual funds are probably better associated with an expert fund-rating group than with cartoon characters like the peanuts, however likable they may be. Note that Bill Cosby an Amirkan TV storm despite his top-notch popularity and linking ratings, was a failure when he endorsed the brokerage firm E.F. Hutton in the mid-1980s. Presumably the selection of a brokerage firm requires an expert endorser more than it does a likable entertainer. It has also been shown that consumers are most skeptical of advertising claims and thus might benefit most from a credible and expert endorser, when the claims involved are subjective rather than objective. Considering the

large sums of money involved, it is always appropriate to pretest an endorser's attractiveness and expertise ratings before deciding to use one.

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Additionally, one other key aspect that should be copy-tested when an advertisement uses endorsers is whether the endorser's presence, while possibly raising awareness of the ad and/or brand, is also detracting from communication of the main copy points. Research often has higher awareness but communicates less about the brand's characteristics or advantages, which can hurt the ability of the ad to create the attitude change or persuasion necessary in many high involvement situations. For instance, though the fictitious endorser Joe Isuzu raised the brand awareness of Isuzu cars, he failed to convince car buyers to visit Isuzu dealerships to check out Isuzu cars in large enough numbers and was subsequently dropped as an endorser. This typically happens because the endorser's presence distracts the consumer from the main message in the ad about the brand. Since distraction effects are often of interest in advertising, we will be discussing them more thoroughly later.

It has been suggested that an endorser can be used to attract attention even if there is high risk of the perceived credibility of the source being low. The reason is called the sleeper effect. The sleeper effect refers to the case in which the persuasive impact of a message actually increase is that although the effect of the source is negative (it is not liked or not credible) at the time of viewing or reading, with the passage of time, the association of this negative cue with the message breaks down. The result is an increase in the overall impact of the message over time. Although the ideas are intuitively appealing, there are surprisingly few studies that have demonstrated the presence of a sleeper effect, even though dozens of experiments have been done on the subjects.

6.4.5 Consistency Theories

Why should a credible source (endorser, company, media vehicle, etc,) raise attitudes toward the advertised brand? The effects of an endorser on the attitudes toward the advertised brand can be understood using consistency theories of attitude. This important group of attitude-change theories rests on the assumption that attitude change results by exploiting a person's drive for consistency among the facts associated with an object. For example, an audience member may have a negative opinion about a brand but a positive opinion about a person who is endorsing the brand in an advertisement. This inconsistency should create a tension and a drive to reduce that tension.

NOTES

There are three obvious routes to the reduction of tension in this context. First, it can be assumed by the consumer that the endorser is not really enthusiastic about the brand. Second, the positive opinion of the endorser can be altered to one less positive. Third, the attitude toward the brand can be changed to one more positive. If the advertising can select an endorser for which audiences have strong positive attitudes and link the endorser strongly to the brand, there will be a tendency to engage in brand-attitude change. To maximize the likelihood of attitude change, it is useful for the source not only to be well liked but also the member can resolve the inconsistency by observing that the endorser's opinion about the product is not relevant because the endorser knowledge about the product or that the endorser's experience will not apply to others.

There are several types of consistency theories, including balance theory (which emphasizes the role of an endorser). Congruity theory (which predicts the size of attitude change knowing the strengths of existing attitudes and the size of the advocated change), and dissonance theory (which considers the drive to make attitudes consistent with behavior). They all focus attention on tension created by cognitive inconsistency that can be resolved by changing beliefs and attitudes.

Conditions under which the basic proposition that "high-credibility sources lead to higher persuasion" breaks down have been the focus of some studies. There are situations in which a low-credibility source is about equal in effectiveness to high-credibility source. Even more interesting are those situation in which a low-credibility source is more effective than a high one.

First, it has been found that when receivers feel their behaviour is being controlled, negative reactions-such as "this endorser must have been paid to say this" – can be increased the source is highly credible. According to psychological theories of attribution, we are more likely to believe that another person really believes what he says if we cannot easily find another reason (such as financial inducements) why he might have said what have did. That is why so-called "hidden camera" ads that show ordinary people saying nice things about the advertised brand can often be very effective – since the ordinary "people on the street" are not being paid to say what they are saying, they must believe it.

The second case occurs in situations in which receivers have a strong initial positive attitude about the brand or product. Such people tend

NOTES

to generate more support arguments during exposure if the source has low credibility rather than high. The reason is that they are agree is the right one, when the endorser is of low credibility rather than high credibility.

The choices of a source to be included in an advertisement must therefore be done very carefully. If the strategy is to try to increase positive attitudes, high-credibility sources should be used. However, if the strategy is to induce behavior such as product trial directly, it is possible that using a highly credible source can undermine the formation of "real" positive attitudes (internal to the consumer) and thus reduce the incidence of future repeat purchases and brand loyalty.

6.5 DISTRACTION EFFECT

Probably the most useful research finding supported by numerous studies is that *distraction* (e.g., from elements of the ad execution such as endorsers or music) can affect the number of support arguments and counterarguments evoked by an ad In some situations, this can enhance persuasion; negatively predisposed audience members who would otherwise have generated counterarguments can be distracted from counterarguing, so that the communication will be more effective. For example, in a study by L.Festinger and N.Maccoby, a strong, persuasive tape-recorded message opposing fraternities was more effective at changing attitudes among fraternity men. When a silent film on modern painting was shown rather than pictures of fraternity scenes In general, distracter tasks that involve cognitive activity result in more distraction than do tasks that simply provide visual distraction of manual skills.

> ***Check your progress***
>
> 3. The effects of an endorser on the attitudes towards the advertised brand can be understand using _______ theories of attitude

An advertiser interested in using distraction to break down resistance to her or his arguments is faced with the delicate task of devising something that will interfere with counter arguing but not, at the same time, interfere with the reception or learning of the message. This is a formidable task that must take into consideration all aspects of the communication and the audience. As David Gardner explains, the critical question in defining distraction seems to be whether the process of counter arguing is interfered with. If attitude change is more apt to be induced due to interference with counterargument, then this is defined as distraction. Based on this definition, distraction takes on many dimensions. If an element in the communication is designed to add support to the message- that is, mood music or artwork-this cannot be defined as distraction because it does not interfere with the counter going process, what is support in one communication could be distraction in another due to products, audiences, channels of communications, or a host of unique factors.

A good example of the use of distracters in trying to communicate with a hostile audience is a campaign developed by the standard Oil company of California for its Cheivron brand. At the time, many consumers were very hostile to oil companies generally; the oil company image as a good corporate citizen was considerable tarnished. One of the first campaigns involved on-the scene stories, showing tankers being built, explorations, and other activities. Although reasonably successful, the company subsequently developed a whimsical campaign around the theme "we're running out of dinosaurs" to encourage energy conservation. The campaign not only proved effective in educating consumers about the energy situation, but most important, resulted in a significant shift in favourable attitudes for standard Oil.

6.6 THE ART OF COPYWRITING

"The cat sat on the mat" is not a story. "The cat sat on the dog's mat", now that's a story. (Gerry Miller, creative director, Denstu)

Advertising is both art and science. The science of advertising is the analytical part that we have been looking at up to this point. Setting goals, deciding strategy, choosing among different creative styles. Some people call this step convergent thinking because the process is to distill lots of information into the core advertising strategy.

But once the message strategy and the broad creative approach have been determined, it is the time to create the actual advertising. And, this is a very different process. Here the best approach is divergent thinking letting loose with one's imagination to find the most creative, unexpected way to communicate that core advertising message.

This is not science, but art. We are dealing here not with logical analysis but with the product of raw talent. And, although much advertising, particularly local advertising, is created by someone at the client and media level without the inputs of an advertising agency, most national advertising involves an agency, because that is where this talent usually resides. Of course, such talent is not confined to ad agencies, indeed clients like Coca-cola have begun to tap into the pools of talent that create popular entertainment, like Hollywood movies, to the great concern of the ad agency business.

It is the job of the creative department of the agency to generate alternative advertising ideas and ultimately to pick one or a few that will go forward into production. The creative department is made up of copywriters who have the main responsibility for creating the advertising, and art directors who

are experts at creating or otherwise introducing illustration and pictorial materials. These people are generally under the supervision of a creative director, and a team of such people in involved in developing the advertising to be used on any one campaign.

The creating stage encompasses the creative (idea generation) process, the generation of written copy (copywriting), artwork of various kinds (illustrating), and a preliminary or comprehensive version of the advertisement (layout). Obviously, client approval and supplier selection are also important activities that must be done before final production can begin. First, we consider the creative process.

6.6.1 The creative Process: Coming up with An Idea;

The creative process is concerned with taking the badly started marketing proposion, usually derived from and crunched in terms of marketing research and manufacturing specification, and turning it into the one or more creative ideas that clearly, powerfully, and persuasively convey to the consumer what the brand does for them and why it should matter to them. Such a creative process comes into play where research leaves off. It is possible today to use a computer-based expert system called ADCAD to specify what kind of advertising appeal and format will work best in what kind of situation – but one still needs a creative process to take such recommendation and turn them into brilliant advertising.

For example, the long-distance telephones company U.S. Sprint wanted to communicate to a consumer that this phone lines were made of fiber optics, which led to clearer communication. A noncreative marketing person (or a computer-based expert system) might simply decide to run a commercial in which an announcer simply makes such an announcement, using a "talking head" format. It takes a creative person to come up with the creative idea that the fiber optic lines allow such clear communication that if a pin is dropped in New York, it is heard to fall in Los Angles when the sound is picked up by a microphone and communicated over U.S Sprint phone lines. Or, as in another ad, that if a singer in a studio in Los Angels signs a high note, that note can shatter a wine glass in New York if the sound is carried over U.S.Sprint's fiber optic phone lines.

How do we come up with such ideas? The creative process has interested many different types of people for some time. One of the pioneers in studying creativity, Alex Obsorn, was a founder of Battern, Barton, Durstine

& Obsorn, one of the largest agencies (now known as BBDO, the agency has tie-up R.K. Swamy Associates, and part of the Omnicorn group), Obborn saw the creative process as starting with the following.

1. Fact finding

a. Problem definition; picking out and pointing up the problem

b. Preparation gathering and analyzing the pertinent data

2. Idea finding

a. Idea production; thinking up tentative ideas as possible leads.

b. Idea development selecting from resultant ideas, adding others, and reprocessing by means of modification, combination and so on.

The process begins with fact finding-picking out and identifying the problem and gathering and analyzing pertinent data. The raw material for ideas is information-information from all sources. Leo Burnett once said, "Curiosity about life in all of its aspects, I think, is still the secret of great creative people. "Of course, some information is more useful than others. In particular, the creative team should become immersed in as much factual information about the company, the product, competition, and the target audience (their language, needs, motivations, desires) as possible. Obviously, they should have access to the available consumer research.

Sometimes it is worthwhile to get first hand knowledge of the consumer. One of the top agency executives today still makes it a point to visit supermarkets regularly and ask shoppers why they make certain shopping decisions. Leo Burnett believed in depth interviewing, "where I come realistically face to face with the people I am trying to sell. I try to get a picture in my mind of the kind of people they are – how they use this product, and what it is they don't often tell you in so many words – but what it is that actually motivates them to buy something or to interest them in something." Focus group interviewing is another approach that tends to generate useful ideas and appropriate words and phrases for use in developing copy.

Fact finding should include a careful discussion of the advertising objectives. The objectives provide the point of departure for the creative process while, at the same time, constraining, at least in the early stages of campaign development. In doing so, they might open the way for worthwhile alternatives and provide their own input formulation objectives. Some solutions to tough problems come only when the focus of the problem is broad-

ened. Thus, the objectives need not be viewed as a unilateral, rigid set of constraints, but rather as a flexible, dynamic guide that is the result of creativity as well as empirical research and managerial experience.

Fact finding should include a digestion and incubation time. The various facts need to be absorbed or "digested," and usually the best ideas emerge only after a period of incubation.

After the information has been digested, idea generation is the heart of the creative process. The key is to generate a large quantity of ideas – to avoid inhibiting the process. Evaluating a set of alternatives is a relatively trivial problem next to that of obtaining good alternatives to evaluate. It is somewhat ironic that in refining decision theory very sophisticated methods have been developed to choose among alternatives although we still have only the crudest notion of how to generate alternatives.

Osborn tells of a successful copywriter at BBDO who starts a job by clearing his mind and sitting down at a typewriter and simply writing everything that comes to mind. He even includes silly, worthless phrases with the thought that they will block others if they are not included. In some cases, a piece of copy will be generated on the first try, but, more typically, hundreds of possible ideas will be created before several reasonable alternatives are generated.

There are certain questions that, when posed, can suggest ideas (see Table).

Questions That Spur Ideas for New and Improved Products

Put to other uses?	New ways to use it? Other uses if modified
Adapt?	What else is this like? What other ideas does this suggest? Does past offer parallel? What could I emulate?
Modify?	What to add? More time? Greater frequency? Stronger? Higher? Longer? thicker? Extra value? Plus ingredient? Duplicate? Multiply? Exaggerate?
Minify?	What to subtract? smaller? condensed? Miniature? Stronger? Higher?Longer?Thicker?Extra value? Plus ingredient? Duplicate? Multiply? Exaggerate?

Substitute?	Who else instead? What else instead? Other ingredients? Other material? Other process? Other power? Other Place? Other approach? Change Schedule?
Rearrange?	Interchange components? Other pattern? Other layout? Other sequence? Transpose cause and effect? Change pace? Change schedule?
Reverse?	Transpose positive and negative? How about opposited? Turn it backward? Turn it upside down? Reverse roles? Change shoes? Turn tables? Turn other cheek?
Combine?	How about a blend, an alloy, an assortment, an ensemble? Combine units? Combine purposes? Combine appeals? Combine ideas?

Source: Philip Kotler, Marketing Management: Analysis, Planning and Control (Englewood Cliffs, NJ: Prentice Hall, 1967), P,247,

One of the most fertile is the suggestion to combine various concepts. There have been several systematic approaches proposed to aid the process. One such approach is termed HIT, or the *heuristic ideation technique.* Several relevant dimensions of a problem area are identified. For a citrus drink, we might consider the context in which it is used (snack, breakfast, or parties), the benefit it provides (nutrition, preparation ease, colour), and the personalities who could endorse it (an athlete, a popular singer, a nutritionist). Then the total set of ideas is the set of all possible combinations of these concepts. Techniques similar to this one have been successful at stimulating new product ideas. One can readily see that hair sprays could have been conceived with such methods. In a similar veing, some agencies have developed counter-aided name generators. Various words or combinations of letters are systematically combined to provide alternative names for new products.

For some, idea generation comes easier in a group, from which more information and associations are collectively available. The difficulty here is to overcome the inhibiting aspects of group behaviour. One technique to encourage the free flow of ideas is brainstorming. Developed by Osborn and used regularly at BBDO, it features a group of six to ten people who focus on

a problem. The cardinal rule is that criticism is prohibited. All evaluation is withheld until later. The wilder the idea that survives, the better, for it may stimulate a new association that will trigger a more useful idea. The participants are encouraged to build on ideas that appear, combining an improving them. The atmosphere is positive. The objective is quantity. Osborn reported that one such session generated 144 ideas on how to sell blankets.

A related technique, called *synectics,* was developed by William J.J.Gordon

It differs from brainstorming in that it does not focus on a clearly specific problem. Rather, a discussion is stimulated around a general idea that is related to the ultimate specific problem. Instead of being concerned with marketing a citrus beverage, the group might discuss drinking. When a variety of ideas is exposed, the leader starts directing the discussion toward the specific problem. The sessions tend to last longer than the sixty-or ninety-minute brainstorming sessions, based on a belief that fatigue tends to remove inhibitions.

John keil, in a book on creativity, argues that there are several myths bout creativity and creative people, none of which is really supported by the facts. Keil's six myths of creative people are as follows:

1. Creative people are sophisticated and worldly. They are cultured, well read, and snobbish
2. Creative people are more intelligent than others.
3. Creative people are disorganized.
4. Creative people are witty and seldom boring.
5. Creative people are more involved with liquor and drugs than others are
6. Drugs and alcohol stimulate creative thinking.

Like the social stereotypes of any profession. Keil essentially cautions against such stereotyping and argues that creative people have wide variety of habits, styles, and values. There are boring creative people, as well as witty ones. The incidence of alcoholism and drug abuse in this profession appears no greater than in others such as law or medicine. The creative process culminates in the specific activities of writing copy, illustrating and layout. Each of these activities is briefly described in the next sections.

6.6.2 Copy writing

Copywriting, illustrating, and layout are different activities associated with the creative stage of advertising development and are usually done by different

people who specialize in one or the other. Copywriting i print is the activity of actually putting words to paper, particularly those obtained in the main body of the text (the main arguments and appeals used), but also including attendant bylines and headlines. In broadcast, the copywriter is, in effect, a script writer who develops the scenario or script to be used in a radio or, television medium, where writing a jingle, or the lyrics for music, may also be involved. Illustrating is usually the work of an artisit in the case of television. Layout generally refers to the activity of bringing all the pieces together and, as will be soon, differs in the case of print and broadcast.

How does one write a good copy? John Caples states that the best ads are "written from the heart". "Write down every idea that comes into your head, every selling phrase, and every key word. Write down the good ideas and the wild ideas. Don't try to edit your ideas at the start. Don't put a brake on your imagination. "In this book, he develops a checklist of important guidelines for copywriting:

i. Cash in on your personal experience.
ii. Organize your experience.
iii. Write from the heart.
iv. Learn from the experience of others.
v. Talk with the Manufacturer.
vi. Study the product.
vii. Review previous advertising for the product.
viii. Study competitors ads.
ix. Study Testimonials from customers.
x. Solve the prospect's problem.
xi. Put your subconscious mind to work.
xii. "Ring the changes" on a successful idea.

Following these rules of good advice in creating copy. The idea of "ring the changes" is particularly useful and interesting. Once a successful idea has been found, it should be used repeatedly with variations on the central theme. For example, an insurance company fount those ads featuring retirement annuities brought the most coupon replies. So all the ad headlines featured retirement. However, the appearance of the ads was varied by using different illustrations such as a man fishing... a couple sitting on the beach under a palm tree... an elderly couple embarking on a cruise ship. As Caples says,

NOTES

Check your progress

4. The words "The cat sat on the mat" is not a story," The sat on the dog's mat," now that's a story by ______

NOTES

Once you have found a winning sales idea, don't change it. Your client may tire of it after a year or two. He sees all the ads from layout stage to proof stage to publication stage. Explain to him that when he is tired of the campaign, it is just beginning to take hold of the public.

Copywriting obviously becomes more important in the case of long copy and less important in the case where few words are included. Copy should be only as long as necessary to complete the sales job-this means that long copy is often appropriate only for the highly interested reader (such as people contemplating car purchases).

6.6.3 General Copy Principles

While there are no (and should never be any) "rules" for what makes for good copy, it is worthwhile to become familiar with some generally accepted principles. Regardless of the specific ad medium, copy is usually more effective it it is simple, containing only one or two key ideas; contains a benefit or idea unique to the brand being advertised; is extendible (can lead to several variations in a campaign) and flows naturally and smoothly from beginning to end.

One overriding rule for developing copy is to keep the format simple, uncluttered, and straight forward. Whether in print or in broadcast, the tendency for including too much information or for complicating the television commercial with too many scene changes, or scenes that are not well integrated, should be avoided. This principle of simplicity extends to the language used as well. Like cluttered format, complicated language is unlikely to induce people to spend the time to "figure it out.". The message should always be true to the product. Claims should be substantial, and the style should not be radically altered over the life cycle of the product.

6.6.4 Print copy Principles

For print ads, one of the key elements is the headline, which must flag down the target reader and pull him or her into the body copy, offering a reward for reading on. This is best achieved by headlines that appeal to the readers self-interest (e.g. by offering free, useful information), are newsy, offer twists on familiar sayings and /or evoke curiosity (e.g., by asking a quiz like question). Since most people reading print ads never go beyond the headline, it is also extremely important that the headline and visual complement each

other so well and "tell the store" so easily, that a reader who only looks at the headline and main visual can "get the message" without having to read a word of the body copy.

As for the body copy itself, it should be a detailed and specific support of the headline, and be readable and interesting. Story appeal is another effective copy device. Copy should be only as long as needed to do the selling task (high-involvement purchases may call for detailed copy), but body copy can be made readable by the use of subheads and captions.

As an example of an advertisement that displays many of these principle, examine the print and in the figure. Note that it flags down the target reader pediatricians, promises them a benefit in the headline that will be of direct use to them and visual tells the story and specific facts are presented with a captioned graph. Subheads are used and there is a call to action phone number to respond to.

Other research has discovered that more imagery is evoked if the picture makes it easy for the consumer to plausibly imagine himself or herself in engaging in that behaviour. The effects of an ad's pictures on brand attitudes (liking) seem to increase if they contain product relevant information, especially for highly involved consumers.

6.6.5 Television Copy Principles

Television scripts must usually be written to take advantage of the visual nature of the medium by using demonstrations, pack close-ups, and the like. The message contained in the pictures is especially important now that manyconsumers pay only limited attention to advertisements. Since TV ads are fleeting and cannot usually easily communicate much information, simplicity (and frequent and early mention of the brand name and key idea) is strongly recommended. TV ads get higher recall scores if they contain more frequent visual representations of the brand name, package, and key product attributes.

TV ads also get higher-persuasion scores if the shots in the ad are more "connected" and better-linked to each other. While there seems to exist a belief that TV ads should use more shots because viewer attention spans are getting shorter – the average number of shots per ad is up from eight in 1978 to thirteen in 1991. Research has actually found that as the number of shots per ad goes up, the ad's recall and persuasion scores go down, even among young viewers. Amazingly, it has been found that if the camera angle is such that the product or person appears bigger, stronger or bolder, the ad is evalu-

NOTES

ated more favourably, though this happens mostly for consumers processing the TV ad in a low-involvement fashion. It bears repeating, however, that the key factor making for a persuasive TV ad is as simple as the presence of a strong brand-differentiating benefit. While the creative execution is certainly important, if you want a persuasive ad, make sure you've got the right (strong and convincing) message!

6.6.6 Radio Copy Principles

For radio ads, a key principle usually is to write copy that "creates a picture in the mind's eye" of the listener. The radio ad must pull the listener in from whatever is being done when and ad comes on, into an imagined situation, through use of the human voice, sound effects, humor, and music. Research shows that sound effects increase imagery activity and, through that, the evocation of feelings that are not verbally described in the ad. It is usually also important in radio to mention the brand name and the key selling benefit early and often. Short words and short sentences are usually easier to understand on the radio. Obviously, radio ads can use various creative tools, and a typology of different kinds of radio ads has been developed.

6.6.7 Outdoor Copy Principles

For outdoor ads, where the message must be communicated in a few seconds, the copy and visual (such as a large pack shot) must be extremely short, simple, strong, and obvious-there is no time for subtlety. Outdoor ads are recalled more if they have fewer words, are about more involving products, are creatively more distinct, and are on the right-hand side of highways than on the left-hand side in the us and the reverse in India. (from the drivers perspective).

6.6.8 Retail Copy Principles

Retail ads usually must contain specifics about the merchandise being offered (such as exact sizes, colours, and prices) in order to stimulate immediate buying action. Yet they must also be created in a manner consistent with (and must strive to reinforce) the image of the store.

6.6.9 Business-to-Business Ads

Since business-to business ads are usually written to an audience seeking problem solving or profit-improving information, they should usually be informative and serious (but not boring), and (ideally) offer case histories of how the advertised brand helped someone else in a similar situation. The software company Lotus, for example, in advertising its Notes product to corporate

users, ran ads in September 1993 citing successful adoption by twelve different companies, each named explicitly, with a paragraph describing each specific case.

Long copy ads are good, but they should focus on a single benefit, and it helps if they have a single dramatic image. While the ads need to be factual and informative, they should nonetheless contain some drama or human interest, according to study by Roper Starch Worldwide. A coupon or phone number can be used to provide more detailed information and generate a lead for a subsequent sales call, either in person or via the telephone.

6.7 ADVERTISING ON THE INTERNET

Advertisers are just beginning to advertise on the Internet, the worldwide web of computer networks that promises to become another avenue of electronic commerce. Advertisers set up "home pages" that can be accessed by "web browser" software, and occupy "store-fronts" in "on-line mails". According to Ogilvy and Mather Direct, one of several agencies venturing in this medium, Internet advertising should not be intrusive, should take place only in designated newsgroups and list servers, should offer full disclosure of what is being sold and under what terms, should only perform consumer research with the consumer's consent, and should not resell consumer data without express user permission.

6.8 LAYOUT

The *layout activity* involves bringing all the pieces together before the advertising is sent out for production. A layout can be in relatively unfinished form, a *preliminary* layout, or can be very detailed specification of all aspects of the production requirements, a *comprehensive* layout. The decision as to how detailed the layout is to be will rest on the agency's trust in the supplier firms. Many agencies choose to send only preliminary layouts to allow room for a significant amount of creativity in the production process.

Layout involves decisions as to how the various components of headline, illustration, copy, and identification marks are to be arranged and positioned on the page.

1. *Balance:* the arrangement of elements to achieve a pleasing distribution or visual impression.
2. *Contrast:* using different sizes, shapes, densities, and colours to enhance attention value and readability.

NOTES

3. *Proportion:* the relation of objects to the background in which they appear and to each other.
4. *Gaze-motion:* the headline, illustration, copy, and identification marks in that order will usually provide the most logical sequence for gaze-motion (in some cases, however, it may be useful to alter this typical pattern).
5. *Unity:* the qualities of balance, contrast, proportion, and gaze-motion should be combined to develop unity of thought, appearance, and design in the layout. Coupons, for example, should not be placed at the beginning of an advertisement unless the copy theme is built around the idea of clipping the coupon. Unity is best achieved by keeping the layout simple and uncluttered and to ease the reader's task in comprehending the advertisement. Simplicity can be carried forward in many instances by judicious use of "white space" in which most of a large part of the advertisement shows nothing.

6.9 TYPES OF TELEVISION COMMERCIALS

Audio and visual elements can be combined to produce several types of television commercials, just as a story can be told in many different ways. Emphasis can be placed on the story itself, on the problem to be solved, on the central character such as in a testimonial, or on special human emotions or storytelling techniques such as satire, humor, fantasy, and so on. Albert Book and Norman Cary provide a useful classification of the possible alternatives, based on the point of emphasis, focus, or style adopted. Each is referred to as a particular kind of commercial structure to emphasize that a commercial is other than an unrelated jumble of ideas and techniques. The thirteen types of structure identified by them follow:

1. **Story line:** a commercial that tells a story; a cleat, step by step unfolding of message that has a definite beginning, middle, and end.
2. **Problem-solution:** presents the viewer with a problem to be solved and the sponsor's product as the solution to that problem. Probably the most widely used and generally accepted example of a TV Commercial.
3. **Chronology:** delivers the message through a series of related scenes, each one growing out of the one before. Facts and events are presented sequentially as they occurred.

4. **Special effects:** no strong structural pattern; strives for and often achieves memorability though the use of some striking device, for example, an unusual musical sound or poctorial technique.
5. **Testimonial:** also called word-of mouth advertising; it uses well-known figures or an unknown main in the street to provide product testimonials.
6. **Satire:** a commercial that uses sophisticated wit to point out human foibies, generally produced in an exaggerated style; parodies on James Bond movies, Bonnie and clycle, Hair, and the like.
7. **Spokerperson:** the use of an on-camera announcer who, basically, "talks". Talk may be fast and hard sell or more personal, intimate sell.
8. **Demonstration:** uses some physical apparatus to demonstrate products effectiveness, Analgesis, watch, and the commercials employ this approach heavily.
9. **Suspense:** Somewhat similar to stor-line or problem-solution structures, but the build up of curiosity and suspense to the final resolution is given a heightened sense of drama.
10. **Slice-of-life:** a variation on problem solution: begins with a person at the point of, and just before the discovery of an answer to a problem. This approach is heavily used by detergent manufacturers.
11. **Analogy:** offers an extraneous example, then attempts to relate it to the product message. Instead of delivering a message simply and directly, an analogy uses one example to explain another by comparison or implication. "Just as vitamins tone up your body, our product tones up you car's engine.
12. **Fantasy:** uses caricatures or special effects to create fantasy surrounding product and product use.
13. **Personality:** a technical variation of spokesperson or announcer-on- camera, straight-sell structure. Relies on an actor or actress rather than the background of a studio. The actor plays a character who talks about the product reacts to its use, or demostrates its use or enjoyment directly to the camera.

6.10 CREATIVE STYLES

Creating advertising is a little like creating art. Two artists viewing the same scene may paint it quite differently, but both can produce high-quality paintings and "effective" products. An important factor that tends to distinguish them is the nature of the product or market situation. However, there are points emphasis and style that tend to characterize the approach and make it recognizable.

Just as an art critic can distinguish a Picasso from a Monet, so an experienced copy director can distinguish the work of a David Ogilvy from that of a Leo Burnett. The styles of creative giants in advertising have, over time, become exaggerated to the point of caricature. Furthermore, right or wrong, their or wrong, their approaches become associated with a considerable amount of advertising of the agency with which they are associated. Thus, any description of their creative style may tend to be exaggerated.

David Ogilvy's tops on Ad. Marketing

Oglivy, in addition to being very creative, is also research- oriented. He looks to the experiences of direct-mail advertisers and the various advertising readership services for possible generalizations. He also looks to his colleagues and competitors for insights. From these sources he puts forth various guides, rules, and commandments for the creation of advertising by his staff. The following are his ***eleven*** commandments for creating advertising campaign.

i. What you say is more important than how you say it. Two hundred years ago Dr.Johnson said "Promise, large promise is the soul of an advertisement. "When He auctioned off the contents of Anchor Brewery he made the following Promise. We are not here to sell boilers and vats, but the potentially of growing rich beyond the dreams of avarice.
ii. Unless your campaign is built around a great idea. It will flop.
iii. Give the facts. The consumer isn't moron; she is your wife. You insult her intelligence if you assume that a mere slogan and a few vapid adjectives will persuade her to buy anything. She wants all the information you can give her.
iv. You cannot bore people into buying. We make advertisements that people want to read. You can't save souls in an empty church.
v. Be well mannered. But don't clown

vi. Make your advertising contemporary.

vii. Committees can criticize advertisements, buy they cannot write them.

viii. If you are lucky enough to write a good advertisement. Repeat it until it shops pulling. Steling Getchel's famous advertisement for Plymouth ("Look at all Three") appeared only once and was succeeded by a series of inferior variations which were quickly forgotten. But the sherwin Cody School of English ran the same advertisement ("Do you make these mistakes in English?') for 42 years, changing only the typeface and the color of Mr.Cody's bread.

ix. Never write an advertisement which you wouldn't want your own familt to read. Good products can be sold by honest advertising. If you don't think the product is good, you have no business to be advertising. If you tell lies, or weasel, you do your client a disservice, you increase your load a guilt, and you fan the flames of public resentment against the whole business of advertising.

x. The image and the brand; It is the total personality of a brand rather than any trivial product difference which decides it ultimate position in the market.

xi. Don't be a copy cat. Nobody has ever built a brand by imitating some body else's advertising. Limitation may be "sincerest for of plagianrism, " but it is also the mark of an inferior person.

In Execution More Important Than Content?

There are, of course, many other advertising agencies and many other creative approaches and styles that could be presented and discusses. Those reviewed in this chapter are, however, fairly representative of the range of creative output, at least in the leading agencies. Of course, there are dozens of the creative people associated with highly successful agencies and creative out put that could have been reviewed as well.

The best advertising combines both meaningful content and brilliant creative execution. While the strategy part of the mixture is amenable to rigorous analysis, the creative part is as much art and genius as it is science, which is what makes the advertising business rely so much on the talents of people like the ones just profiled.

6.11 Production and Implementation

Once upon a time I was riding on the top of Fifth Avenue bus, when I

heard a mythical house wife say to another, "Molly, my dear, I would have bought that new bran of toilet soap if only they hadn't set the body copy in 10-point Garamond. Don't you believe it. (David Ogilvy, in Confessions of an Advertising Man)

Having decided what to say in the ad, and how to say it, the advertiser now has rough copy and art, or a story board, or a radio ad script. Perhaps this has been pretesed in rough (or even finished) form, now the ad is ready and approved. It is time to get the ad produced and sent out to the media to be "run" time to move on to actual implementation. We discuss the production process for an ad, both print and television.

6.11.1 The Advertising Production Process

The production of advertising is a process involving many people, much time, and significant expenditures of money. Although the major components of this process can be described, it is very difficult to explain precisely how effective ads are actually created. It is like asking an artist to explain how to create and produce a gret painting. Although we might recognize greatness in the final output of the process, it is difficult to set up a creation and production system that will always guarantee such greatness. Behind any print advertisement or television commercial lie hundreds of decisions involving artistic and other judgment by teams of people inside and outside the agency.

Production decisions are important because all the investment of research and development for a new product or maintaining sales levels of an established product is at stake. A produced ad is the means through which advertising objectives are carried out and strategy is executed. All the attention to careful specification of objectives can be ruined by a poor finished ad. And producing ads is expensive. Creating, producing, and conducting the research done on the television commercial, for example, can involve hundreds of thousands of dollars. Although media cost will be even more expensive (on average, media costs represent about 85percent of a total advertising budget) their success, too ultimately depends on the nature of the finished ad. The average cost of producing a single national television commercial, without including the ad agency's mark-up, was $222,000 in 1993, according to a survey by the American Association of Advertising Agencies.

This section of this chapter reviews and ad production process. A general model is first presented that traces the various stages and activities in-

volved in overall process. The creation stage part of the model comes first; and it is only briefly reviewed here. This is followed by a review of activities at the production stage. Production differs according to whether copy is being produced for print media or for broadcast media. In print media, the important components concern typography and engraving, whereas in broadcast, casting, filming, and editing are of central importance.

What are the basic tasks involved in creating and producing an advertisement? Who does what at which stage? What are the important ways of generating ideas and carrying them forward into final production? What should an advertising manager know about the creation and production process?

6.12 A MODEL OF THE CREATION AND PRODUCTION PROCESS

The Figure presents a model of the creation and production process. The two basic stages are involved, creation and production. The distinction is somewhat artificial because creative activities can take place at any point throughout the entire process, but it is a convenient distinction for several reasons. First, the activities associated with the creation stage take place largely within the confines of the advertising agency. Those associated with production are usually done by outside suppliers to the agency. Second Creation activities are in many ways similar for either print or broadcast advertising.

The *creation* stage involves cases like the generation of word (copy writing) and the generation of pictures (illustrating) with copywriters and art directors working as a team, whether the end result in print advertisement or a broadcast commercial. Rough ads, which may be comprehensive layouts for prints ads or detailed storyboards for Tv Ads, are the output of this stage, which move on to the production stage. (These rough ads are discussed further below)

The *production* stage activities, usually done by external suppliers, differ in significant respects for print production or broadcast production. Print production involves the graphic arts and specialists in typography, engraving, printing, ad so on. Broadcast production, particularly in television, involves audio-visual studios, production houses, and the basic tasks of firming and editing, which are very similar to the production of a movie. In sum, different types of external suppliers are involved for print and broadcast at the production stage.

The important input to the generation of advertising is referred to as the creative process in the model. Much attention has been given to ways of

NOTES

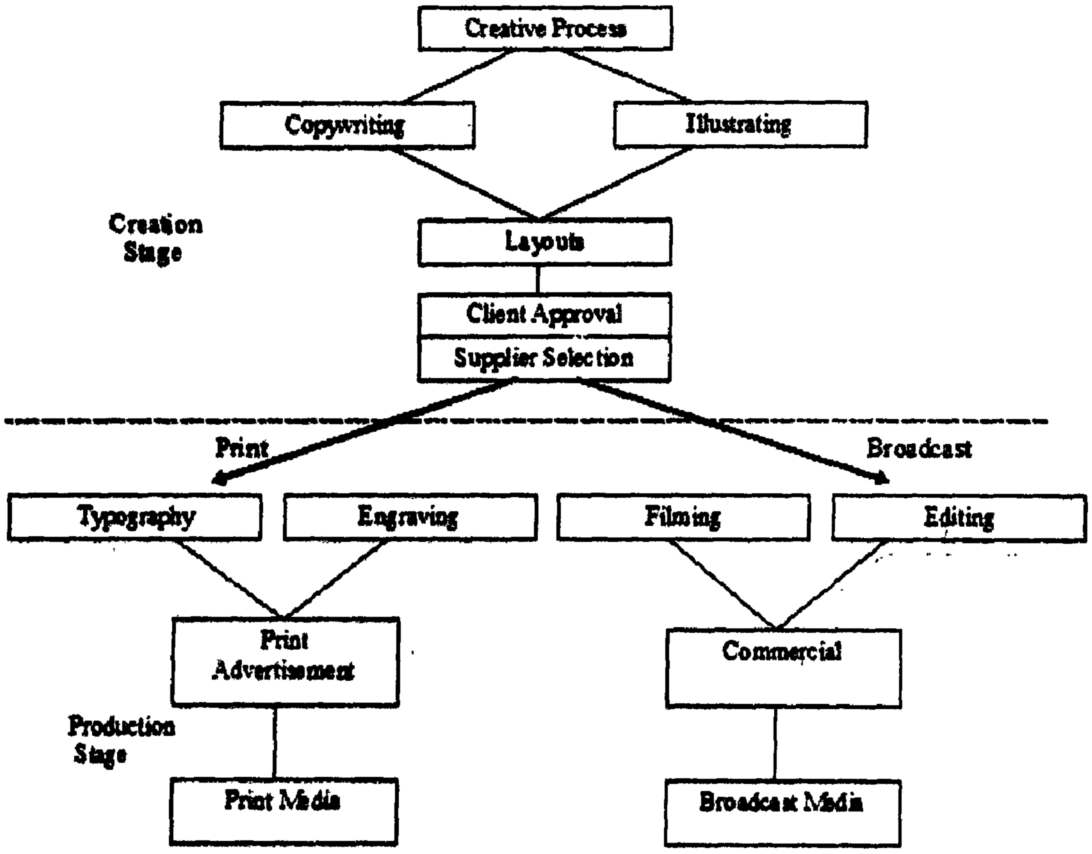
improving this process and generating ideas. Following the generation of copy and a layout, the creative director and the agency account executive will next seek the client's approval for the lay out and general nature of the advertising to the produced. Pretest copy research may be sought at this point (using the layout or rough stage, or alternative finished executions) to assist in the decision, following the procedures outlines in the previous chapter.

An important decision at the point of production in the selection of suppliers to actually produce the finished advertisements. These tasks are noted in the model as client approval and supplier selection.

Following production, the final print advertisements or broadcast commercials are distributed to the appropriate newspapers, magazines, radio, or broadcast stations (media) for printing and airing. This step completes the copy decision aspects of advertising management insofar as the basic messages are created and produced. Posttest copy-testing research, can then be done to see how well the actually does, perhaps through tracking studies.

6.12.1 Creating Rough Print Ads

For print ads, the copywriter, and art directory may first create a thumbnail sketch layout. This is very rough and does not have much drawing detail, and could be in one-half or one quarter size. Such thumbnail sketches are used to quickly see the effect of variations in the placement and size of headline, main illustration, and so on, to find the most appealing layout.



After the general location of the ad's elements has been decided on, a full-size rough layout or visual may be prepared. Here, the headline will be roughed in, and there will be a more detailed (but still not "finished") illustration. Changes can still be made inexpensively at this stage. Some clients are prepared t review concepts at this stage. Other clients, however, prefer to go on the next stage of finished or comprehensive layouts (called comps). These require a lot of art time and can be expensive; the pictures may be sketched, the lettering done carefully.

After this rough print has the approval of all the necessary people, it is worked on by an artist to produce the final art, so such layouts should be good enough to be followed accurately by the commercial artist who will create the final artwork or photograph, and by the outside production people who will do the final printing and engraving. To show the printer exactly where the type is to go is attached to the copy that is sent with the artwork, along with specifications of the typeface and size. It is only after the artwork and set copy are okayed that the ad passes on to the engraver, in the actual production process set out below. Computers and word processors are used today to speed up the process and lead to camera-ready work being sent to the engraver.

6.13 CREATING ROUGH TV ADS

Again, rough TV ads being by writers and art directors working together to get ideas of what the ad might look like. Once an idea has been found, the copywriter fleshes out the words and / or music while the art director sketches out the visual scenes. These are put together in a storey board, which is series of small sketches. Twelve small sketches may used to represent a thirty – second commercial, since key scenes usually last for five or six seconds or more. (The final Tv ad will actually have 1,440 frames per minute!).

The first story boards start out very rough, and the level of detail increases as it moves closer to, and through, the approval process. The initial sketches can be improved by an illustrator. The storyboard may also be supplemented by a script sheet, which uses two parallel columns, one for the audio and other for the vide, to describe what the key frames will be like. And the rough TV ad may even be converted into an anima tic, in which a video camera "Pans" across artwork (set on an art stand, with soundtracks and announcer voice-overs added on. Other rough forms are the photometric, using

filmed photographs instead of illustrations, the leviratic, using inexpensive actors, or the diplomatic, using scenes from previous commercials.

NOTES

Eventually, the story board is what is used by the directory and production house to shoot and produce the final commercial.(more on that below). Obviously, since the few frames described on the storyboard can only partially capture what the final ad will look like the director and production house substantially shape the final ad. To give the director more guidance and agency creatives more control, the storyboard is usually accompanied by a detailed shooting script that suggests camera angles, staging props, casting considerations (which can be crucial), and music, and these are discussed at pre-production meetings. Yet the creativity and expertise of the director, camera-person, and so on play crucial roles in what actually gets made.

6.13.1 Client Approval and Supplier Selection

Following the creation of the finished layout or comps (for print) and storyboard or anima tics (for TV), the creative director and account executive usually get client approval of the advertising prior to production. There is always the danger at his point that the client will evaluate it subjectively and get involved in the creative process. When that happens the result in usually a creative effort that is compromised. Rather, the focus of discussion should be on advertising objectives and the relationship of the proposed copy to those objectives. The client could, properly, discuss copy testing that has been considered or planned to demonstrate that the advertising will be effective in achieving those objectives. The process of client-agency interaction is discussed further in the next section of this chapter.

Supplier (typographers, engravers, and printers in the case of print and production houses sound studios and many others in the case of broadcast) must be selected at this stage. In print, it is usually for an agency to have a group of suppliers that it has come to know and trust and for which print production activities are carried out. In broadcast, particularly television, it is more usual to "put the production out to bid. "Often, this involves obtaining bids from three different production studios who will use the storyboards as the basis for bidding. Television commercials in this sense are like other supplies the corporation buys, and getting them produced is treated as a bidding process in much the same way. The production of all ads, whether print to TV or some other medium, requires client approval of production cost estimates.

6.13.2 Production Stage

Production of advertising generally involves a great number of external outside supplier firms and individuals, and, it is indeed interesting and represents fifth level of institution that depends heavily on advertising. Print advertising production differs in significant respects from broadcast production and we have stressed this fact in the model in Figure. IN a print, firms specialized in type and typesetting called typographers will be involved. Others specialized in graphic materials, engravers, may be necessary. Some large printers include these services as part of their offerings. The choice of whether to use specialists or one large printer is another decision facing the creative team.

Concerning broadcast, many other kinds of specialists are needed. These can include a producer, director, set designer, film editor, actors and actresses, composers, musicians, talent scouts, casting directors, music arrangers, camera crews, video and audio equipment supple companies, and many others. Many of these people freelance and the process of producing a television commercial may require considerable effort in bringing a team together. Often production is channeled through a production house that will contain a sound studio and most of what is necessary to get the job done. Production is a process that takes a considerable amount of time; from six to eight week can be involved. In what follows, we provide a brief sketch of the major activities involved in print and broadcast production. The advertising manager should not hope become an expert in the graphic arts, but decision making can be enhanced once the basics are known.

6.13.3 Print Production

The rough artwork and copy of the ad must get legal approval before actual production can begin. (This is true of all media, not jus print). The rough artwork is then used by a photographer to take the necessary photographs at a shooting session, or by an illustrator to create the final illustration. The photographs or illustrations may need retouching. The most important subsequent components of print production deal with the art and science of typography and engraving. Each is a fast-evolving field that has been affected greatly in recent years by computerization.

Typography is done by a specialist in type and typesetting. What the advertiser needs to know is that there are thousands of different type styles and forms from which choices must be made for a specific print advertisement and many ways of composing type. Typography is a complex field in itself that takes significant skill and experiences to master. It should be appreciated

that there is a range of alternatives from which to choose, and the creative director must be prepared to question and oversee those choices.

Once the typography has been decided on, the client must approve the retouched photographs or illustrations, and the mechanical, which is the guide showing the positioning of the type, artwork, logo, and so on.

The second major activity in producing a print advertisement is engraving. Engraving basically deals with the generation and reproduction of pictures, photographs, and the visual elements of the advertisement. Photoengraving is the process using photography to create a printing surface. Through the photoengraving process, artwork (line charts, drawings, photographs) and paste-up of type can be transferred to a mental plate for printing. Photoengraving is most commonly used to reproduce artwork, but is also used to reproduce combinations of illustration and type. Engravings can be four-colour offset engravings, four colour roto engravings, or black-and-white.

Actual printing of the advertisement involves yet another process and move alternatives. Printing can be done by letterpress, gravure, lithography, or silk screening. The first three are processes associated with basic ways of photoengraving. In each case, some proof before or "mat" is developed from which copies are run, The client will be shown a proof that show each of the four colour printed separately well as the together are termed progressive proofs, or progressives.

Typography – "the eye is a creature of habit"

- Good typography helps people read your copy, while bad typography prevents them from doing so,
- Advertising agencies usually set their headlines in capital letters. This is a mistake. Professor Tinker of Stanford has established that capitals retard reading. They have no ascenders or descenders to help you recognize words, and tend to be read letter by letter.
- The eye is a creature of habit. People are accustomed to reading books, magazines and newspapers in lower case.
- Another way to make headlines hard to read is to superimpose them on your illustration.
- Another mistake is to put a period at the end of headlines. Periods are also called full stops, because they stop the reader dead in his tracks. You will

find no full stops at the end of headlines in newspapers.

- Yet another common mistake is to set copy in a measure too wide or too narrow to be legible. People are accustomed to reading newspapers. which are set about 40 characters wide.
- Which typefaces are easier to read? Those that people are accustomed to reading, like the Century family, Caslon, Baskerville and Jenson . The more outlandish the typeface, the harder it is to read. The drama belongs in what you say, not in the typeface.
- Sanserif faces like this are particularly difficult to read. Says John Updike, "Serifs exist for a purpose. They help the eye to pick up the shape of the letter. Piquant in little amounts, sanserif in page-size sheets repels readerships as wax paper repels water; it has a sleazy, cloudy look".
- Some art directors use copy as the raw material for designing queer shapes, thus making it illegible.
- In a recent issue o f a magazine I found 47 ads will the copy set in reverse-white type on a black background. It is almost impossible to read.

If you have to set very long copy, there are some typographical devices that increase its readership:

1. A subhead of two lines, between your headline and your body copy, heightens the reader's appetite for the feast to come.
2. If you start your body copy with a drop-initial, you increase readership by an average of 13 percent.
3. Limit your opening paragraph to a maximum of 11 words.
4. After two or three inches of copy, insert a crosshead, and thereafter throughout, Cross-heads keep the reader marching forward. Make some of them interrogative, to excite curiosity in the next run of copy.
5. When I was a boy, it was common practice to square up paragraphs. It is now known that windows-short lines-increase readership.
6. Set key paragraphs in bold face or italic.
7. Help the reader into your paragraphs with arrowheads, bullets, asterisks and marginal marks.

NOTES

8. If you have a lot of unrelated facts to recite, don't cumbersome connectives. Simply number them-as I am doing here.
9. What size type should you use?
10. If you use leading (line-spacing) between paragraphs, you increase readership by an average of 12 percent.

6.14 BROADCAST PRODUCTION

The basic elements of broadcast production, we focus on television commercial production. Many of the elements of radio commercial production are analogous to the audio portion of television commercials an involve audiotapes rather than videotapes or films. Much radio commercial production is much uncomplicated, consisting of "live commercials" in which written copy is simply time slot (with appropriate emphasis, voice delivery, and so on. The studio time may cost a few hundred dollars per hour, and the only other cost is the cost of the talent and the music, etc.

6.15 SUMMARY

This chapter discusses the creative Approaches of Advertising, Rational Creative Approaches, Distraction effect, Art of copy writing, Advertising Production and Implementation, and broad cast production.

6.16 ANSWER TO CHECK YOUR PROGRESS

1. Leeclow
2. Emotion – evoking
3. Consistency
4. Gerry miller

MEDIA STRATEGY AND PLANNING

STRUCTURE

7.1 Introduction
7.2 Unit objectives
7.3 Media Tactics: Allocating Media Budgets
7.4 Measuring Print Vehicle Audiences
7.5 Media Option Decisions
7.6 Summary
7.7 Answer to check your progress
7.8 Model questions

7.1 INTRODUCTION

Strategic Media Planning concerns are strategically outlining the extent to which an organization and/or an individual can get the greatest reach and the maximum response for services, products or programs offered.

Strategic Media Planning can involve chalking out some short-term objectives or long-term campaigns, or even a combination of the two. Generally, the market segments most appropriate for delivering the message of the organization/individual is first identified. Subsequently, a detailed analysis is done to determine specifically who the target groups are, where these focused groups are located, and the opportune moment when they should be approached with the message.

The most important analysis concerns identifying which media will be the most effective in delivering the address. Also, it is to be determined which is the most cost-effective media in reaching the targeted groups—television, radio, print or something else (say, cyber media). This constitutes the base on which the rest of the Strategic Media Planning is worked out. Strategic Media Planning agencies help out in this regard. First they get to know the target. This knowledge is then utilized to bring focus on the target group via the appropriate media vehicle from an extensive media range (which they frequently

offer). The organization's budget and•other objectives are also taken into account, and finally the maximum mileage is provided based on these constraints.

Of vital importance are:

Detection of the target group or target audience,

Being able to judge correctly the extent of delivery of message to the target group, and

Finally, approaching the group via the right media to deliver the message, in order to beget maximum mileage for the organization.

Strategic Planning provides detailed information about strategic planning, non-profit strategic planning, strategic business planning, strategic media planning and more. Strategic Planning is the sister site of Limited Liability Company Advantage.

7.2 UNIT OBJECTIVES

- Critically examine the media strategy and planning
- To test advertising and other marketing mix elements
- To evaluate the media tactics
- To measure print vehicle Audiences

7.2.1 The Advertising Budget-Methods

7.2.2 Percentage of sales or of gross Margin

One rule of thumb used in setting advertising budgets is the percentage of sales. Past sales or a forecast of future sales can be used as the base. A brand may have devoted 5 percent of its budget to advertising in the past. Thus, if the plan calls for doing $40 million worth of business next year, A$2 million advertising budget might be proposed. A similar decision could be based upon market share, or unit volume. For example, a brand could be based $1 million for every share point it holds. Or $2 for every case of the product it expects to sell. The percentage of sales guide is the most common approach to setting advertising budgets. A 1981 survey of 55 of the 100 leading consumer advertisers found that over 70 percent reported using some version of the percentage of sales method, as did a similar survey on ninety-two British companies.

If a firm or brand has been successful over several years using the

percentage of sales approach. It might be assumed that the decision rule yielded budges reasonably close to the optimal, so there is little incentive to change to an other approach in setting budgets. The rule does tend to make explicit the marketing mix decision, the allocation of the budget to the various elements of the marketing program. Furthermore, it provides comfort to a prudent financial executive who likes to know that her or his firm can afford the advertising. Finally, if competitors also use such a rule, it leads to a certain stability of advertising within the industry, which may be useful. If there is a ceiling on the size of the market, it is wise to avoid precipitating a war over advertising expenditures.

The major flaw in the method is that it does not rest on the premise that advertising can influence sales. In fact, sales or a sales estimate determine advertising expenditures. It can lead to excessive expenditures for large established brands and for over-the –hill brands that are basically servicing old loyal customers who will very likely continue to buy even if advertising support is withdrawn. It can, conversely, lead to inadequate budgets for promising healthy brands that could potentially become competitive with more advertising muscle.

The second flaw in this method is that it ignores brand profitability, by looking only at brand sales. A more logical rule would be to use a percentage not of sales, but of a brand's gross margin or contribution-to-overhead. This would imply that more profitable brands get more advertising support, compared to less profitable brands even if their sales revenue figures are identical. The percentage-of –sales or percentage – of-margin approaches obviously need to be modified in dynamic situation such as the following:

- When a brand is making a major repositioning move or reacting to one.
- When a brand becomes established and dominant.
- When a brand is just being introduced.

Making a Move

When a brand decides to make a move, substantial increase in advertising might be necessary, an increase that may not be justified by the percentage-of –sales logic. For example, when Philip Morris purchased Miller beer in 1972 and initiated a campaign to reposition it and increase its share, the advertising budget was dramatically increased. Similarly, when the effects of the Miller effort became evident, the other Beer companies had to consider breaking out of their percentage –of-sales routine and react to the Miller move.

Established Brand

When a brand becomes established and dominant, it can usually start reducing the percentage of sales allocated to advertising. As brand – name awareness becomes very high and the brand's image becomes very set, it is not usually necessary to advertise as heavily. Conversely, if a smaller brand is struggling to become known and is concerned about advertising at the threshold level, it will often have to spend money at an artically high percentage – of – sales level.

New Brand

A new product, concept, or brand will have the special task of generating awareness and distribution from a zero level. As a result, it is usually necessary to make heavy investments in advertising during the first year or two of the brand's life. At Colgate Palmolive, the guide is to base the advertising expenditures on the total gross profit, which is the total sales less the product cost, as follows.

- Advertising in first year equals twice the gross profit.
- Advertising in second year equals half the gross profit.
- Advertising in third and succeeding years equals 30 percent of the gross profit.

7.2.3.All you can afford

Firms with limited resource may decide to spend all that they can reasonably allocate to advertising after other unavoidable expenditures have been allocated. This rule usually ensures that they are not advertising too heavily that advertising monies are not being wasted. It thus does have some logic. Of course, if the value of more advertising could be demonstrated, extra money could usually be raised, so the limitation may be somewhat artificial.

Some larger firms also use this rule. They start with the sales forecast and budget all expenditures, including profit, except advertising. The advertising budget is what is left over. About all that can be said about such a rule, which is actually used in too many situations, is that it generates a financial plan that usually looks neat and attractive in an accounting sense. However, it rests on the assumption that sales are independent of the advertising expenditures. There is no realization that advertising may influence sales. The only reason advertising is included is that its absence would be difficult to justify!

7.2.5 Competitive Parity and share-of-Voice

Another common guide is to adjust the advertising budget so that is is

NOTES

comparable to those of competitors. The logic is that the collective minds of the firms in the industry will probably generate advertising budgets that are somewhat close to the optimal. Everyone could not be too far from the optimal. Furthermore, any departure from the industry norms could precipitate a spending war.

The problem here is that there is no guarantee that a group of firms is spending at an optimal level. In so far as their spending habits are constant over time, and assuming that market conditions change over time, they are probably not spending at the optimal level. Even if they are, it is likely that the situations of individual firms are sufficiently unique so that field might not receive the proportionate amount of impact for this advertising that a large in addition to advertising. Furthermore, the method does not consider such questions as differences in effectiveness of various campaigns or the efficiency of media placement. Following the competition might offer the satisfaction of knowing you are taking a big competitive risk, and be politically safe within a company's managerial ranks, but might turn out to be a case of the blind following the blind. Academic "game theorists" have developed models of how different competitors might end up responding to each other over time.

Check your progress

1. Advertising in first year equals______ the gross profit

A very commonly used variant of the competitive parity approach is to set a brand's share of total category advertising (measured over a period such as a year,) called share of voice (SOV) close to its share of market (SOM). If every brand in the category did this, it would probably ensure that the industry's market share situation stayed at equilibrium, with no changes, assuming all other marketing mix elements were at parity across brands. In practice, market leaders often have a SOV a little less than their SOM, reflecting their advertising economies of scale, while market challengers need a SOV higher than their SOM, In order to gain market share. It is often argued that a new brand, being "built up for the future", needs an SOV about twice its targeted SOM, at least for a while. In contrast, an old and established brand being "milked" to support such newer brands might see a SOV subantially below its SOM, and that is very frequently a sure way to lose market share in the long term (the old brand equity may support sales for a while, but equity that is not replenished does get used up!). Market leaders can maintain their leadership by keeping their SOV at much higher levels than those of competitors, while market followers ought to boost their SOV significantly (at least 30 to 40 percent) higher in those geographical markets where this market leader has allowed its SOV to fall dangerously low. Obviously, companies with lower cost structures can more easily afford disproportionately higher SOVs.

7.2.5 Objective and Task

Objective and task, more an optimal approach to budgeting than simple decision rule, is used by two-thirds of the largest advertisers. An advertising objective is first established in specific terms. For example, a film may decide to attempt to increase the awareness of its brand in a certain population segment to 50 percent. The taks that are required to accomplish this objective are then detailed. They might involve the development of a particular advertising campaign exposing the relevant audience an average of the five times. The cost of obtaining these exposures then becomes the advertising budget. This approach is logical in that it assumes that there is a casual flow from advertising to sales. In effect, it represents an effort to introduce intervening variables such as awareness or attitude, which will presumably be indicators of future sales as well as of immediate sales.

The major problem with this approach is that the link between the objective and immediate and future sales is often not spelled out. Later in this chapter, we will develop a framework for extending it in this direction so that it can indeed provide a logical, defensible basis for setting the advertising budget. Many advertising and new product researchers, however, have managed to develop proprietary estimates of how different levels of and response objectives (particularly brand awareness) correspond to typical levels of trial or new products and line extensions, and from there to sales volume or share, using their knowledge of historical experience. Another problem is that it is hard to estimate the precise relationship between advertising media exposure and the adjective objective (e.g., brand awareness) itself. Here again, many advertising agencies (such as Foote Cone & Belding, and others) have built up databases of tracking data results showing how advertising spending (measured in GRPs, discussed int eh next chapter, or in and exposure or frequency) relate to different measures of and effectiveness (such as and recall, brand awareness, brand persuasion, etc.) Not surprisingly, these response relationships depend on whether the brand is new or old, the nature of the and copy itself, the specific and medium and TV day part being used, the category growth rate, other marketing actions including promotions, and so on.

7.2.6. How many Exposures?

Michael J.Naples, one of the presidents of the Advertising Research Foundation, conducted an extensive review of industry studies of repetition and concluded that, in general, around three exposure within a purchase cycle are about adequate to lead to or maintain the desired level of brand awareness

or brand attitudes. Naples found that simply delivering one exposures, on the other hand, usually led to diminishing returns, at least as far as recall was concerned. While this was an average tendency, smaller brands appeared to require (and benefit from) higher frequency more than larger brands did.

Herbert Krugman, a General Electric manager and prominent advertising theorist, also suggests that a level of about three exposures is needed. He suggests that insights into the needed levels of repetition can be gained by considering the difference between the first second, and third exposures. In this conceptualization, there is no such thing as a fourth exposure.

The first exposure elicits a "What is it?" type of response. The audience member 'tries to understand the nature of the communication and, if possible, categorizes it as being is further interest.

The second exposure, if not blocked out, produces several effects, one, particularly a television or radio advertising, is a continuation of the "What is it?" response. The first exposure may not have been adequate to gain an understanding of what it was (In fact, some television copy-testing systems require at least two exposures for this very reason). Another response is an evaluative "What of it?" response. The audience member will attempt to determine if it is relevant and convincing. The message will be evaluated. Associated with both responses could be an "Aha, I've seen this before" reaction.

The third exposure is basically a reminder in case the audience member has not yet acted on the message. Any additional exposure is just another third exposure, replicating the third-exposure experience. Thus, Krugman implies that only three exposures are required. However, it is not quite that simple, because some audience segments may, after the first exposure, screen the advertisement out until they are ready to process another exposure. This phenomenon is particularly prevalent in television advertising, where there is low involvement. A potential purchase or a use experience may stimulate an audience member to be receptive to a second-exposure experience. As a result, several actual exposures might be needed before a "second-exposure" experience occurs. The effect of multiple exposures is not to generate a cumulative impact on an individual audience member, but to capture more second-and-third-exposure experience.

As a practical suggestion to General Electric managers, Krugman advised that they start with an objective of exposing two-thirds of their target

audience at least twice and not more than four times per month. This advice is compatible with the concept that at least two exposures are needed and that any exposure over four is wasted since the second-exposure experience will have occurred for most of the audience.

A third source for a recommendation of using three or four exposures per planning cycle is the fact that this is the most frequently used level of effective frequency used by advertising agencies. The concept of effective exposure was put forth in 1977 by advertising researcher Alvin Achenbaum. In essence, the idea is that there is a minimum threshold of necessary exposure below which the connection between the message and the consumer is simply not established strongly enough. Below this effective-frequency level, therefore, exposures are wasted; people reached with less than this number of exposures-typically, but not always, three or four exposures per purchase cycle-have not been effectively reached. Advertising agencies make widespread use of the effective frequency concept.

7.2.7.Wear Out

While the concept of effective frequency is concerned most about the minimum level of exposures necessary, the concept of wear-out is concerned with the maximum number of exposures that should be used for any particular ad execution in a certain period of time. (Wear-in, in contrast, is concerned with how soon a message makes its initial impact). Wear-out occurs when successive exposures no longer have a positive impact on the audience. Indeed, the marginal impact can turn negative. The determination of the optimal frequency thus involves an understanding and an ability to predict when wear-in and wear-out will occur.

One of the first psychologists to study wear out empirically was Hermann Ebbinghaus. In a series of experiments reported in 1902, he related retention to repetition. He had a single subject (himself) learn a series of nonsense syllables by oral repetition. He found that diminishing returns set in as the number of repetitions increased. Since that time, wear-out has been documented in a variety of field and laboratory studies by psychologists and advertising researchers. As repetitions build, advertising researchers have found that attention brand, brand attitude, and purchase intention will build, then level off, and ultimately decline.

One explanation for the wear-out phenomenon is that the audience stops attending to the advertising. They may feel that they have already absorbed

the information, or they may become bored. One study found that exposure repetition ultimately generated a significant decline in brand-name recall, but that this decline could be reversed when attention to the advertisement was experimentally induced.

Another explanation of wear out is that excessive generates irritation. The audience, which accepts advertisements as a necessary part of print or broadcast media, may resent being exposed to the same advertisement many times. Psychologists john Cacippo and Richard Petty monitored people's verbalized response to a persuasive written communication. They found that the production of support arguments increased and then decreased with exposure. The number of negative thoughts, however, declined after the first few exposures but then increased as repetitions mounted. To combat wear-out, then, it is necessary to attempt to reduce inattention, boredom, and irritation and/or to maximize the degree of "learning" from the ad that continues to occur despite repeated exposure.

One approach to fighting wear-out is to provide advertisements that reward the audience in some way. Information that is valued (features of a personal computer) could be provided. Humor can stimulate attention and liking (but it should be noted that humorous ads can wear-out even faster than straight ads, if consumers get tired of the jokes). Entertainment value can also come from creative approaches using music, dancing, action, or drama, and any of these can forstall wear-out. In fact, there is research to suggest that "emotional" ads wear-out less quickly than more "rational" ads , and that more "complex" ads wear-out more slowly than simpler ads that are "learned" very quickly. If the ad is difficult to process, it can be run for more exposures without wear-out than an easy-to—process ad (which the audience "learns" faster and thus gets bored with faster). An implication of this last statement is that an ad being run frequently ought to be created to be relatively difficult to learn and process (more complex). The exact pattern of wear-out is complex, depending on the measure being tracked (recall? Attitudes?), the type of the ad, the spacing (timing and distribution) of the exposures, and so on.

Wear-out can also be combated by spacing commercial exposures over time and by running multiple executions of the same campaign theme. Another one of the findings of ebbinghaus was that spaced repetitions were more effective than the same number massed together. Bobby Calder and Brian Sternthal conducted an experiment involving three commercial exposures embedded in a one-hour adventure show in up to six sessions. The pronounced

NOTES

wear-out found was substantially reduced when the advertising consisted of three commercials rather than a single one. When multiple media are used, variety is naturally introduced, which again will allow a higher level of repetition.

Figure effect of repetition frequency on attitudes as a function of involvement level.

The complexity and size of the communication and persuasion task will also affect the repetitions needed. For example, a task that involves establishing a new brand name and communicating a complex new service will undoubtedly require heavy repetition as well as multiple executions. Another of the classic Ebbinghaus findings was that as the number of items to be communicated increased, the number of repetitions necessary to attain to certain level of learning also increased.

Joseph Ostrow, then a senior advertising executive with Young & Rubicam, suggested that heavier repetition would be required when

Check your progress

2. New and powerful technique for measuring advertising response is termed ________

7.3.MEDIA TACTICS: ALLOCATING MEDIA BUDGETS

The media plan identifies and details the media schedule that is to be used. A media schedule specifies how the media budget is to be spent. Although the level of detail of a media schedule can vary, it can include the specification of up to four types of media factors.

1. Media Class: This is the type of medium, such as television, radio, newspapers, magazines, billboards, and direct mail.
2. Media Vehicles: These provide the immediate environment for the advertisement. For example, within the media class of television, there are various vehicles, such as CNBC News and BBC's Sunday Analysts etc.
3. Media option: This is a detailed description of an advertisement's characteristics other than the copy and the artwork used. It specifies, in addition to the media vehicle, such advertisement characteristics a size (full-page or half-page), length (fifteen second, thirty second, or sixty second), color (black-and-white or four-color), or location (inside front cover or interior location).
4. Scheduling and timing: These specify how media options are scheduled over time. Among the strategy alternatives are (a) flighting, periods of total inactivity; (b) continuous, advertising spread evenly

through time; and (c) pulsing, a continuous base augmented by intermittent bursts of heavy advertising. Timing decisions include the selection of specific issues (the August 17 issue of Time of India) or time slots (the common welter games)

The media schedule will at a minimum specify the number of planned insertions in each media vehicle. A more detailed media schedule also specifies the other details of a media option, such as size or length and the timing of the advertisement insertions. For example, one media schedule might include ten network commercials on daytime televisions and two advertisements in Time of India, India today and Newsweek, all in the first quarter of the year. A more detailed media schedule might specify sixty-second commercials and two-page advertisements and that all the advertising was ot be placed during the first week in February. (Note that the allocation of media budget across geographical regions is also something that needs to be decided on. This can be by using the Brand Development indices and Category Development indices for each region or market, calculated in the manner described earlier).

Even for small media budgets, there can be literally thousands, even millions, of possible media schedules from which to choose. The task is to select a media plan fro this set that will be relatively effective. In making this selection, the media planner will usually first select a limited set of media possibilities. From this set, the planner will then attempt to develop and evaluate a limited number of media schedules, often using computerized media models as well as judgment. Finally, once the media plan is completely specified, the desired media time (or space) must be bought and prices negotiated with the media owner. This buying process is also briefly discussed at the end of the chapter.

The selection of the most effective media schedule is based upon both quantitative and qualitative criteria. That is, the media planner attempts first to ensure that, for the available budget, the advertiser is obtaining the maximum number of advertising exposures-to the target segment s-at the lowest possible cost. Such analysis requires working with huge masses of data on the audiences of the media vehicles and the costs involved in using these vehicles. Computer programs are often used to assist in such quantitative analyses.

After this number-crunching, however, qualitative judgments have to be applied as well, for a computer cannot completely take into account the

qualitative aspects of a particular media buy (for example, the "excitement' value of running a TV ad on the World cup football telecast). In addition, judgments also have to be applied in running the computer programs, in determining what these programs should attempt to optimize, such as the desired level of exposures (frequency) and the number of people potentially exposed to the message (reach).

7.2.8 Media Class Decision

The first media allocation decision that of allocation the budget over various media is one that is made on both quantitative and qualitative criteria. Quantitatively, data are collected on just how many people in the target market can be reached through that media class (such as radio, or newspapers, or daytime television). The source of such data is often a source such as Simmons or MRI in the international context (which is both described shortly). Radio, for example, is a terrific medium to reach business commuters through "drive-time" or to reach teenagers. Television's great strength is as a mass medium, since it delivers very broad reach at low cost (per thousand people reached, not necessarily per television spot. While a single network prime-time thirty-second spot cab cost as much as $350, 000, this is actually cheap on a per-person-reached basis, since that one single spot will be potentially exposed to almost 20 million homes).

While TV reaches mass audience, Magazines and direct mail are excellent in reaching narrowly defined target segments. Radio, too, reaches narrow segments-no single radio station usually has more than 2 to 3 percent of the audience in a market-and, since the listeners of a particular radio station tend to be loyal, a radio campaign is useful in building high levels of frequency against them. Newspapers (and spot television) make geographical targeting possible. One can also target certain types of readers by paying for specific sections of a newspaper, such as business or sports pages for men, or entertainment and food-and-cooking sections for women.

Qualitatively, the most important consideration have to do with the fit between the medium and the creative execution. Television, because it can show action using both audio and visual, can make an impact that simply is not possible in other media. For some types of impact can be critical to the copy approach. On the other hand, televisions is a passive medium and is not really suited to copy with high factual content unless infomercials of much longer length are employed. Nor is outdoor suited for high information ads: it can only be used for name recognition and "reminder" purposes, since bill-

boards cannot really communicate much information in the few seconds that they are viewed. Billboards are also used heavily by product categories (such as cigarettes and liquor) that are legislatively barred from other media.

Print, especially the magazine medium, is more suitable for long and complex messages. Like magazines, newspapers typically carry ads (especially local ads) containing much more information than do ads on TV or radio. Car advertisers in the U.S. recently have begun to emphasize magazines at the expense of TV, as their ads for new models have begun to offer more product information t technologically more sophisticated consumers. Magazines also generally offer better colour reproduction than newspapers. Because of their association with news stories, however, newspapers could have a sense of objectivity and a spirit of being current that could rub off on the advertisements in the right context. Radio can involve the listener by getting him or her to use imagination to visualize stimuli (but radio ads still have much poorer recall than ads in other media, because of the higher clutter).

A second set of qualitative criteria has to do with production logistics. Ads in network TV and magazines often require long lead times-they usually have to be submitted to the network or publisher weeks in advance of when they actually appear, making it difficult to use them in situation when the copy might have to be changed on short notice. Radio and newspapers are much more flexible on this score and also have the advantage of lower production costs, so that they are frequently utilized by retailers, banks, airlines, and other business where rapid price changes need to be communicated at short notice.

When news has to be communicated rapidly to a target market, broadcast media (TV radio) and newspapers also have another relevant advantage over magazines or direct mail: while the former will reach their targets almost immediately (called a fast come), the latter will take a while – often couple of weeks-for their messages to get read and acted upon (a slow cume).

A third set of qualitative criteria has to do with the competitive setting. Of tem, when faced with a high-spending competitor, it makes sense to use another medium than that used by the competitor, to avoid being "swamped" by the competitor's advertising. Alternatively, it may made sense to use the same medium, but to schedule one's own ads at a different time of year. Ultimately, the final choice of media classes involves reconciling these different quantitative and qualitative criteria, using managerial judgment

Obviously, a good media plan integrates the many different media used.

For instance, TV could be the initial medium to generate awareness and interest in a new product, while a follow-up radio campaign using the TV soundtrack could serve as a lower-cost, high-frequency reminder campaign. The radio ads could thus serve as devices to get listeners to replay the imagery of the TV ads mentally, boosting recall of the TV ad and the brand name and brand claims to levels almost as high as would have occurred if the more expensive TV ads had been repeated. Alternatively, a magazine campaign could be used after the TV ads, offering more detailed information, if that was necessary.

7.2.9 Media Vehicle Decisions

The first consideration in making a media vehicle decisions is simply the number of exposures that can be obtained, and for what cost. These quantitative considerations are later supplemented by various qualitative ones, such as the suitability of a particular editorial environment to a particular advertisement.

7.2.10 Media Terminology

It helps to understand some of the type of information used by the media planners at J. Walter Thompson agency in selection magazines. The first column is the unit cost of a full-page colour advertisement. Second the total audience (also called readership), in millions, obtained by the magazine. Note that the total audience will be always much higher than the circulation because of the substantial numbers who read a magazine that someone else bought. The third is the basic counting statistic, cost per thousand, or CPM. It is the cost per thousand audience members. Thus, the CPM for Good Housekeeping an American house wife's magazine is $1.20, which means that it costs $1.20 to reach 1,000 members of the Good Housekeeping audience.

CPM figures are obviously, most relevant if they take into account only members of the target audience that are reached, instead of just any reader. The circulation trend figure allows media planners to project the CPM number into the future. As a practical matter, there is a lag of several months and perhaps even a year between the media decisions and the placement of the advertisement, so such trends can be significant. However, magazines will often guarantee a certain circulation level (called a rate base) and will refund part of the payment if the circulation does not achieve the guaranteed level.

The fourth is an effort to measure page exposure. It is based upon the survey question, "How many pages out of ten did you open in this particular copy of the magazine?" The result is a crude indicator as to how seriously

NOTES

audience members look at the advertisements. Some magazines, for example, are actually bought by some because their advertisements provide information about home decorating, fashion, instrumentation technology, or some other specialized area of interest.

In buying television airtime, the basic unit of counting is the gross rating point or GRP. A commercial's rating is the percentage of the potential audience (such as "all women aged twenty-five to fifty-four") that are turned in to the commercial. For a national buy, the potential audience could be all U.S. homes with television, whether or not their TV set is on at any particular time. (The number of homes using television, or HUT, at any given time period is always smaller than the total number of homes using television, and is usually expressed as a percentage of the latter). However, the concept of ratings will apply for audiences defined by region (the metro area) or by any other means (for example, adults from eighteen to thirty-five). If the commercial is associated with a program, it would be the average rating during that time period. The highest rated period is prime time, followed by the period just prior to prime time, termed the early fringe.

Just as any particular TV program has a rating, it also has a share of the total number of households watching any TV program during that time period. Thus, suppose that during the 7.00 to 7.15 time period last Thursday, 60 million TV sets were watching any TV program, of the 100 million TV households that could potentially be actually watching TV. Then the HUT for that time period is 60, or 60 percent. Suppose the TV program Home improvement had, at that time, 20million households tuned into it. Then the share for Home improvement is 33 (20 million divided by 60 million), but its rating (expressed with respect to households) is 20 (20 million divided by 100million). Mathematically, a program's rating always equals its share multiplied by the HUT. (Home using Televisions).

To obtain total gross rating points for a media schedule, the ratings of the commercials are summed. For example, the following schedule in which a commercial is run seventeen times in a one-week period yields 142 GRPs;

3 Showings in a time slot with a 12 rating	= 36 GRP
4 Showings in a time slot with a 4 rating	= 16 GRP
10 Showings in a time slot with a 9 rating	= 90 GRP
Total for the week	= 142 GRP

Check your progress

3. The concept of effective exposure was put forth in 1977 by advertising researcher ________

GRP figures are often calculated with specific target audiences in mind, and are the sometimes called T (for Target) GRPs.

The number of different people reached through this three-program media schedule depends on the duplication between the three programs. If there was absolutely no duplication, then the total ratings achieved would be 12 plus 4 plus 9, or 25, meaning that 25 percent of the target population would have seen the ad at least once. In reality, since we do have duplication, this total number of people exposed to the ad at least once will be somewhat less. If it was 25 percent, however, the average member of the audience will be exposed 5.68 times (142 divided by 25), although many, of course, will not be exposed at all and others will be exposed up to 17 times, since there are 17 potential opportunities to be exposed.

One measure of the efficiency of a given program or time slot will be the cost per rating point (CPRP): cost per rating point = CPRP = cost of a commercial/divided by the rating points delivered by that commercial.

7.2.11 Reach the Frequency

At this stage it is appropriate to introduce the two most basic terms in media planning reach and frequency. Reach refers to the number of people or households that will be exposed to an advertising schedule at least over a specified period of time (usually, but not necessarily, a four-week time period). Very important, a person who sees the same ad twice (such as the people in our television example, who could seen it up to 17 times) is not counted twice (or more), but just once.

Cumulative audience is a more restrictive term, used to designate the reach of two or more issues of the same media vehicle-here the duplication being subtracted out is the internal overlap of people who see or read two issued or shows of the same media (such as reading two weekly issues of the same weekly magazine, or watching two weekly episodes of the same TV situation comedy). In such situations, the number of new (nonduplicated) readers or viewers picked up by the media vehicle in its second issue or show is called its accumulation. When the duplication being subtracted out is one between two or more different media vehicles-what one might call external overlap, such as that between one week's issues of Time and Newsweek the term net coverage is sometimes used as the relevant reach descriptor.

The term reach thus almost always refers to unduplicated reach, net both of internal and external duplication. However, since in almost every

media schedule there are many people who see and ad more than once, frequency refers to the number of times someone sees the ad. Average frequency thus refers to the average number of times a person or household is exposed to a schedule. Thus, since GRPs refer to the total number of exposures delivered, and reach is the un duplicated number of people who got those exposures, GRPs equals the average frequency multiplied by the reach (where the reach is measured in terms of rating points).

In our television example earlier, our reach was 25 rating points (for the case of no duplication between the three TV programs), and our average frequency was 5.68, for the total figure of 142 GRPs delivered in that week. For a magazine buy, a schedule that bought one ad each in magazine A (readership of 28 million people) and magazine B (readership of 22 million people) would generate 50 millions exposures (sometimes called opportunities–to – see, or OTS). If 10millions if these people read both magazines A and B, we might have 10million duplicated readers, or a reach of 40million. Thus our average frequency here is 50 million OTS divided by 40million reach, or 1.25, over the relevant time period.

Since the number of GRPS or OTS you can buy is directly related to how much money you spend, this brings us to the most basic media planning question: for a given budget, that can buy a given number of GRPs or OTS, do we want to increase reach or increase frequency? For a given budget, there is always a trade-off between increasing reach or increasing frequency. Some criteria for setting the desired frequency levels need to be set. For some campaigns, reach will be critical. For example, a campaign to gain awareness of a new product may need to reach a substantial portion of the market to be successful. Furthermore, a punchy awareness advertisement may not require many repetitions. Another campaign involving a series of advertisement designed to communicate product details may require many exposures, as may an image campaign. In that case the frequency could be a very important characteristic of a proposed media schedule.

7.2.12 Qualifiers on Basic Reach and Frequency

a. Qualifying Reach

The first refinement of the counting –exposures approach to media vehicle selection is to consider the types of people being exposed. A primary issue in developing advertising objectives is to specify the target segment of segments. It will be of little value to deliver an audience containing people not in a target segment.

NOTES

In the planning process, the percentage of the target audience that is covered by the magazine, the and total target audience reached by the magazine, and the CPM, cost per million are is be considers. Such a figure, which includes only the target audience, is sometimes called the effective audience. Good Housekeeping is still the most efficient magazine, but now Glamour's cost looks better, relative to the other alternatives than it did when the total audience was considered.

It turns out that data such as product usage and life style profiles of media users are available, but that demographic data on vehicle audiences is much more completed, convenient, and inexpensive. Thus, if a product user target segment can be defined in terms of demographics, the task of matching the target segment to a vehicle audience is much easier. For example, an automobile firm may be targeting on the young adult market or on the senior citizen market. When other segmentation variables are employed, it is usually possible to describe the target segment – for example, heavy users of credit cards-in terms of demographics so that the media demographic information can be employed. The relationship between demographic data sets, media data sets, and product usage data sets, however, is usually not perfect, because they are typically collected by different suppliers, and special techniques to "combine" them have been suggested.

Some studies, however, have shown that such an indirect approach (going through demographics) sacrifices considerable efficiency. It is more direct, and probably more accurate, to evaluate alternative media vehicles in terms of how many target segment consumers they reach, using syndicated media sources that permit such evaluations. For example, Heinz ketchup might select TV programs using data on how many users of its competitors, Hunt's ketchup, were in the audience for each TV program. If this "direct" approach is employed, for instance, TV programs could be evaluated for media cost efficiency on the basis of "cost per exposure per target consumer purchase index, "rather than merely "cost per thousand target viewers in the right demographic category."

When several target segments are involved it might be useful to weigh each formally as to its relative value. Thus a computer component manufacturer might have as a primary segment design engineers and maintenances engineers, and buyers might represent secondary segments. Weights could then be attached to each group, and a media vehicle total reach might be evaluated in terms of the weighted sum of the individual groups reached.

b. Qualifying Frequency

The exposure-counting approach to media decisions implicitly assumes that all exposures to an individual will have equal impact. Thus ten exposures to one individuals as desirable as two exposures to each of five people or one exposure to each of ten people Clearly, there may be need to achieve some minimum (threshold or critical mass) level of frequency against every reached individual, below which that person would not have been effectively reached. Such a frequency levels is often called effective frequency. Many ad agencies in the U.S. and Canada, for example, use three or four –week planning cycle as their effective frequency level for T.V; it is often higher (twelve exposures per month) for outdoor and lower (three or four per quarter) for magazines.

At the higher end of the frequency scale, the value of successive exposure will eventually diminish, at least within some time period. If the number of exposures is excessive, the audience can become annoyed, and the impact of future exposures may actually be negative (called wear-out). Because of the need to consider both the minimum threshold exposure levels needed, and the maximum exposure levels that should not be exceeded, the media planner needs not just an average frequency number but an entire frequency distribution or exposure distribution. Such a frequency distribution specifies the exact number (or percentage) of people exposed once, twice, three times, four times, and so on.

Very often these frequency distributions are statistically estimated using assumptions about the shape of the distribution and carry names such as the beta binomial distribution, or BBD. The estimation of the frequency distribution is more complex than the estimation of the reach and frequency, but there are still a variety of approaches available. One of the fastest and most inexpensive was first suggested by Richard Metherihgham and is usually termed the Metheringham method. The inputs required are the reach of each of the vehicles, the duplication between each pair or vehicles, and the duplication between two insertions in the same vehicle. The output is a frequency distribution. The key assumption is essentially that all vehicles are identical with respect to reach and duplication with other vehicles. Thus, the method essentially averages all the input reach data and the duplication data.

The method works quite well when only one vehicle is involved or when, for example, only daytime television sports are involved. However, it works much less well when a more realistic schedule involving several different vehicles is to be valuated. Other researchers have offered alternative meth-

NOTES

ods, such as log-linear and canonical expansion models, which work better when exposure distributions within specific target markets are of interest, rather than among the total audiences of the media being considered. Some researchers have even suggested that exposure distributions are not really necessary and that media models using only single-insertion ratings and the number of insertions can perform just as well as models using exposure distributions, in selections, in selecting the best schedules.

The following is an example of a frequency distribution for a media insertion schedule involving two insertions in each of three magazines:

Number of Exposures	Frequency Distribution	Audience
0	0.22	198,000
1	0.15	135,000
2	0.25	225,000
3	0.18	162,000
4	0.10	90,000
5	0.02	18,000
6	0.08	72,000
Total	**1.00**	**900,000**

> ***Check your progress***
>
> 4. _______ provide the immediate environment for the advertisement

The frequency distribution thus provides a much more detailed portrayal than reach and average frequency. The noticeable bulge at 0 and 6 actually characteristic of many frequency distributions. They essentially reflect those who tend not to read many magazines and those who tend to read many.

A variety of frequency distributions can generate the same reach and average frequency values, which have very different implications. The implicit assumption behind the consideration of frequency distribution is that the number of exposures that an individual receives matters. It is often helpful to make that assumption explicit by specifying the value of successive exposures.

Some illustrative alternatives are shown in he set Table above Set A implies that the reach is the only value of a media schedule of interest. It indicates the need is to expose audience members once, and anything more is of no value. Set B implies that all exposures have equal value. Set C suggests that exposures will have equal impact until three exposures are obtained, and then they will have no value. The remaining sets have different assumptions. Clearly, the value given to different exposures matters in the

calculations of what the level of reach really is –for instance, If exposure levels below 3 are considered of no value, then our reach should be defined not as the number of people receiving at least one exposures, but as the number of people receiving at least three exposures. Some media people call the level of reach that uses the effective frequency as the cutoff level, the effective reach level.

7.4. MEASURING PRINT VEHICLE AUDIENCES

Audited circulation data for print media are easily obtained from the Audit Bureau of Circulations. Such print vehicle circulation data, however, neglect passalong readers both inside and outside the home. Thus, to measure a vehicle's audience (or readership), it is necessary to apply approaches such as recent reading and through-the-book to a randomly selected probability sample of adults who are personally interviewed. In both approaches, a two-step approach is employed. In the first step, which varies somewhat between the two methods, a large number of magazine title logos are shown to the respondent, and they are asked to indicate whether or not each magazine might have been read or looked into in the past six months.

Table

Value of Successive Exposures

	Relative Value					
Exposure	**A**	**B**	**C**	**D**	**E**	**F**
0						
1	1	1	1	0	1	1
2	0	1	1	0	1	0.9
3	0	1	1	1	0.7	0.8
4	0	1	0	1	0.5	0.7
5	0	1	0	1	0.3	0.5
6	0	1	0	1	0	0.5
7	0	1	0	1	0	0.5
8	0	1	0	0	0	0.2
9	0	1	0	0	0	0.2
10	0	1	.0	0	0	0

In a recent reading, respondents are next asked whether they looked at

any copy of each title within that specific past week (for a weekly publication) or during the last specific moth (for a monthly publication). One problem is that the survey is unlikely to represent an "average" week, so there is a seasonality factor to consider. And a reader could read several issues in one week but not in another and so be incorrectly reported as not being a reader in the specific week of the survey. Another concern is the tendency to exaggerate readership of prestige magazines and to minimize readership of vehicles that do not match people's self image. Still another is the forgetting factor. One study found that 50 of 166 people who were observed reading magazines in a doctor's office said they had never read the magazine they had been observed reading. Companies using this method thus show respondents flash cards with the magazine's logo on them, to aid recall, but it is alleged that respondents often confuse magazine titles (Home and Garden with Better Homes and Gardens, for instance), which distorts the figures collected.

In the through-the-book approach, following the screener question mentioned earlier, respondents are shown a stripper-down copy of a specific issue of a magazine that he or she reads and asked whether several article were read and if they were interesting. The respondent is then asked if he or she read that specific issue. This approach is obvious) sensitive to the issue's age. A too-recent issue will miss later readers. A too-old issue risks forgetting.

The two major audience-measuring services are Media mark (MRI) and simmons (SMRB). Simmons interviews 19,000 people each year on 140 magazines (called books by agency media people) and produces annual reports; MRI interviews 20,000 people on 230 magazines and produces twice-yearly reports. Until 1994, the two service use different methods in estimating readership: Simmons used the through-the-book method, while MRI used the recent-reading method. Because they used different methods, they often yields different estimates of readership for different magazines, and these differences between the two have sparked sharp controversy through the years.

Table below shows a comparison of the audience estimates based on the two techniques. MRI's estimates were generally higher about 10 percent higher for weeklies and as much as 35 percent higher for monthlies. These differences were especially large for small –circulation magazines, which have their readership figures based on very small samples. These differences in readership estimates had major implications for how many ad pages a magazine could sell to advertisers, and ad agencies and clients had to find their own ways to reconcile the two sets of numbers. It has been argued that the major reason

why the two sets of numbers varied so much was not the second step of the interview (described earlier), but rather the specific way in which they screen-in the first place. In any event, in September 1994 Simmons announced that it, too, was going to use a modified form of the recent-reading method-one that it claimed would be superior to MRI's.

In addition to media data-including duplication and accumulation data-that cover TV, radio, magazines, newspaper, outdoor, and Yellow Pages, both services also obtain demographic and psychographic data on brand and category users for between 3 and 4,000 brands in over 500 product categories that are analyzed on a national-plus geographic basis. These data are thus used frequently to identify the target markets for ad campaigns (see Chapter 4 on segmentation), and the media reaching those targets. The data are available both in printed volumes and on computer tape (for customized analyses).

Total Adult Readers Comparison.		
Magazine	Mediamark	Simmons
Time	25,701,000	20,035,000
Newsweek	23,640,000	16,453,000
U.S.News	11,586,000	8,733,000
Family Circle	32,143,000	18,255,000
Mc Call's	24,641,000	17,287,000
Ladies Home Journal	21,920,000	12,971,000
Harper's Bazaar	3,574,000	3,301,000
Playboy	21,401,000	15,584,000

For newspapers, readership data-based on telephone interviews-are available from both simmons and from another service called Birch-Scarborough Research. Both contact over 60,000 adults every year, in over fifty markets nationwide, and provide estimates of the numbers of adult readers by weekday and for Sunday editions. Demographic breakdowns are provided, as are estimates of cumulative reach.

7.4.1 Other Media Data

In addition to estimates of the viewership, readership, and listenership of individual media vehicles, various other sources of media information also become useful in developing a media plan. These include estimates of how

much your competitive brands are spending, by major medium and by geographical area, obtained through services such as the Competitive Media Reporting /Leading National Advertisers (CMR/LNA) Reports (for all media), Media Records (for newspapers), the Roma Report (for business and trade publications), Broadcast Advertisers Report (for television and radio), and so on. Media planners also rely on the Standard Rate and Data Service (SRDS) volumes for information on pricing and costs of different media vehicles. Background information on advertisers and advertising agencies is available in the Standard Directory of Advertisers and the Standard Directory of Advertisers and the Standard Directory of Advertising Agencies, the so-called "red books",

7.5. MEDIA OPTION DECISIONS

The media planner is really concerned with advertisement audience size rather than vehicle audience size. Thus, in addition to selecting particular media vehicles, decisions also have to be made about the particular "unit" of advertising that is to be employed-fifteen second versus thirty – second TV commercial, half-page versus full –page ad, inside-page magazine ad versus back-over magazine ad, black-and-white versus four-colour ad, and so on. A smaller ad costs less, allowing an advertiser to achieve greater reach and/or frequency for the same budget. For instance, fifteen-second TV spots cost 60 to 70 percent of the cost of thirty-second TV spots. But these smaller ads are also presumably less effective than the full-size ads (we present some data below), so some kind of trade-off decision needs to be made to find the optimal size, and so on.

> ***Check your progress***
> 5. LNA denotes
> ______

One measurement approach to making such decisions in magazines is to use average Starch recognition scores to Starch ad norms. In the Starch Survey, respondents are taken through a magazine and, for each advertisement, are asked if they saw it in the issue. The noted score is the percentages who answer affirmatively. Two companion measures are seen/associated (note the name of the advertiser) and read most (read more than 50 percent of the copy). The Starch measure dates back to 1923 and has been applied consistently since that early start. One indication of advertisement exposure for a vehicle would be the average Starch noted scores for the full-page advertisements contained in it.

Studies using the starch data indicate that advertisement exposure will depend on the product class, the involvement of the segment in the product

class, and on such media-option variables as the size and colour of the advertisement, position, and copy approach.

7.5.1 dvertisement Size and Colour

Verling Trohdahal and Robert Jones determined that the size determines 40 percent of the variation in newspaper advertisement readership. Since doubling the advertisement size falls short of doubling the readership, the use of larger advertisements needs to be justified on impact rather than audience-size grounds. Regarding colour, starch has concluded that readership scores of full-page magazine advertisements using four colors are about 85 percent higher than scores of half-page advertisements using four colours. However, the use of four colors only generates about 50 percent more readership than black-and -white for one-page and two-page advertisements.

Research on recall of TV commercials of different lengths has found that, at least in the short-run, fifteen-second commercials provide 70 or 80 percent of the recall or persuasion effect of thirty-second sports. The difference between fifteen-and thirty-second sports is even less if multiple exposures to each, rather than a single exposure, are considered, and if the ads are 'informational' in nature. The total frequency of brand mentions in the ad, rather than the length of the ad itself, is what seems to matter for informational ads. Thirty-second ads seem to have their greatest differential effect for ads that are emotional in execution style, and are exposed just once, on measures of brand name learning and brand attitude.

7.5.2 Advertisement Location

Starch has concluded that advertisements on the back of magazine will attract about 65 percent more readers than will those toward the middle. Advertisements on the inside front and back covers will attract about 30 percent more readers. Starch "Noted" and "Seen" scores are also higher for ads on the right rather than left page. Similarly, research on TV clutter has shown that TV spots that are at the beginning or the end of string or pod of commercials-rather than being in the middle of the pod-do better on recall, and are hurt less by increased amounts of advertising clutter.

7.5.3 Copy Execution

Starch found that advertisements very similar to the editorial matter of magazine suffer somewhat in the noted score but gain 50 percent in terms of the read –most measure. Similarly, the use of comic continuity advertising-the use of panels like comic strip-receive slightly less noted scores but substan-

tially better read most scores. Incidentally, larger-sized ad illustrations also help Starch recognition scores.

7.5.4 Scheduling and Timing Decisions

Decisions on how best to "space out' ads over time are based essentially on assumptions about how the advertising objective being aimed at (e.g., recall, or attitudes) respond to the presence of advertising exposures an decay when such advertising is absent. Based on these assumptions, the advertiser typically chooses from among three patterns of distributing the planned ads over a given time period: (1) fighting, or a burst of advertising alternated with periods of total inactivity; (2) continuous, or even, advertising spread evenly through the campaign time period; and (3) pulsing, a continuous base augmented by intermittent bursts of heavy advertising.

7.5.5 Creativity in Media Planning

There is a misperception among many students and practitioners of advertising that the entire function of planning, scheduling and buying media is a boring, numbers-oriented task that is not very creative and exciting, certainly compared to the copy and creative function. Reflecting this, the media departments in many agencies are staffed by more junior and less well-paid people; it is certainly more common to find "creative stars" in an agency than 'media stars".

Yet this perception is very dangerous, even if it is not entirely untrue. There are many celebrated anecdotes about agencies saving their clients an enormous amount of media money or greatly leveraging the payoff from a small media budget as a result of a creative choice of media vehicles or timing of exposures. And so on. For instance, one magazine aiming its ads at media planners of New York City-convincing them that it was a good media buy-saved money and gathered attention not by placing forgettable ads in the advertising trade journals, but instead by identifying all the bus shelter panels close to the entrances of major New York agencies, and placing its ads on those panels. Another creative use of media timing is that of certain exercise videotape, which cleverly times its radio ads right ort New Years; Day, when consumers make yet another New Years' resolution to shed excess weight. Never forget that media, too, is an area in which tremendous creativity can be used.

7.5.6 Media Buying and Organization

Once a final media schedule is determined, using the criteria just discussed, the actual negotiation and buying of the media units (television and radio time, magazines and newspaper space, etc.) have to occur. While the buying of media was traditionally done by the advertising agency that did the creative work on the account, this pattern has recently begun to change. Some clients (such as Chrysler and Nestle) have begun to consolidate al the media buying for all their accounts (brands) at one agency, rather than spread it over several agencies. In turn, agencies have begun to market their media planning and buying services as stand-alone businesses serving client that are not that agency's creative clients. Other client have separated the media-buying task from the creative one and have the media buying done either-in house or through a media-buying service (after modifying the fee structure appropriately for the agency that does the creative work). The media-buying service consolidates buys from multiple clients when it negotiates with the media and can often save clients between 15 and 25 percent on the rates they pay for television and radio ad time.

Such media buying service now place over 30 percent of all U.S. spot television time. The largest U.S. media – buying company, Western international Media, claimed billings of $1 billion in 1994, while its major competitor, SFM Media Corp., was at about $700 million. Western international has offices in thirty U.S. cities and employs nearly 1,100 people. October 1994, it was acquired by the inter public agency group, which can therefore offer cheaper media buys to the clients of its network agencies. Such media buying services are even bigger outside the U.S.: the Paris-based Carat international buys about 15 percent of all European media buys, and in France about 50 to 60 percent of all media buys are done through firms like it.

The underlying reason for these changes has been the negotiating benefit, to the client, of buying a bigger dollar amount of media time or space from each media supplier. The rates for media are rarely fixed in stone; through they may appear to be so when described on a rate card. Broadcast media, and increasingly magazines as well, undertake a negotiation process with agencies and client taking into account the total size of the media buy as well as the supply-and-demand situation at the time of negotiation. These negotiations determine not just the dollar amounts to be paid but also the particulars of favored page (or time) placement, and so on. As a result of the mergers among media companies (such as Time Warner), large advertisers now negoti-

ate for major cross-media deals with these conglomerates that include magazine ads, direct mail promotions, sales promotions, even product placements in movies.

Since negotiations are involved, the expertise of the agency media buyers obviously matters a lot. For this reason, advertising agencies and media buying services have media buying units in which media buyers specialize according to the medium and the geographical areas involved. Thus, network TV buys are typically made by a different media buyer that one who specializes on local TV stations in, say, Los Angeles. Radio buyers and print buyers are also different people, as are those who perform media research and media planning functions. In dealing with local (non national) media, a media buyer typically deals with a "media rep" firm that represents that local station or newspaper nationally rather than with that local media vehicle directly.

These negotiations are complex, and media buys are made at different rates depending on the conditions involved. Network television time, for instance, can either be bought several months ahead by a high-volume buyer wanting a deal covering an entire season (called an upfront buy) or bought in the quarter of the year when the ad will air (a scatter buy). Of the $9 billion or so that the four major U.S. TV networks earn every year in advertising revenue, about $4.0 billion is sold through upfront deals. It is similar case in India also.

If bought in the upfront market, the advertiser of ten receives often receives and exposure size guarantee- the number of people guaranteed to watch the show –but is limited in terms of cancellation flexibility. If the network fails to deliver the promised audience, or if the airing of an ad is somehow botched, the network is typically obliged to "make good" by offering extra time free of charge to make up for the shortfall. If the buy is made in the scatter market, the price paid depends on the supply-and-demand situation at that time: television time, like airlines seats and hotel rooms, is a perishable commodity, and prices can move up and down very rapidly, depending on how eager the two sides are to consummate the transaction.

The price paid also varies with the specificity of the schedule: the rates are higher if the advertiser wants his spot to run at a fixed time of day, or fixed-page location, rather than anywhere (the latter is called run of paper, or ROP, in newspapers, and run of time on radio). Further, as if this was not complex enough, the, media vehicle reserves the right to yank your spot off the air if all you pay is a lower perceptible rate, than a higher nonperceptible

rat. This complexity is one reason why media buying is best done by seasoned media buying professionals.

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7.6. SUMMARY

This chapter discusses the meaning and definition of media strategy and planning, allocating media Budgets, and measuring print media vehicle Audiences. The negotiating benefit of buying a bigger media time and the problems and causes are debated.

7.7. ANSWER TO CHECK YOUR PROGRESS

1. twice
2. Split-Cable testing
3. Alvin Achenbauns
4. Media Vehicle
5. Leading National Advertisers

7.8. MODEL QUESTIONS

1. What are the factors that should be borne in mind in the ad budget?
2. What are media class and vehicle decisions?
3. Explain reach and Frequency.
4. What are the vehicle attributes that have an impact over the media source effect directly?
5. Explain media option decisions.

UNIT-8

AUDIENCE RESEARCH IN INDIA

STRUCTURE

8.1 Introduction
8.2 Unit objectives
8.3 Audience Surveys in Radio and Television
8.4 Television Audience Surveys / TRP Reports
8.5 Television Rating Points (TRPs)
8.6 National Readership Surveys (NRS)
8.7 Audit Bureau of Circulation (ABC)
8.8 Auditing Procedure
8.9 Limitations of ABC
8.10 Expert Agencies
8.11 National Readership Studies Council (NRSC)
8.12 Summary
8.13 Answer to check your progress
8.14 Model questions

8.1 INTRODUCTION

The Audience Research first and foremost implies "ascertaining the reach, exposure, composition and environmental context of various mass media in relation to potential audience." It can be depicted as collection and analysis of data to provide feedback to broadcasting organisations. This feedback helps in programme planning; policy formulation and qualitative improvements. Mass media audiences are the subject of much research in India. Most of the research, however, is what is aptly termed, 'market research.' The primary objective of market research is to provide advertisers and advertising agencies with purely quantitative data about the access of exposure of selected ('segmented') audiences to the various mass media or to their various components. Such collection of data rarely goes beyond 'head-counting'

though tall claims are generally made about 'qualitative' methodologies also being employed. Armed with such 'reliable' data (believed to be 'scientifically' collected), advertisers can 'slot' their advertising spots in newspapers or magazines with the highest readership among audiences that have a good purchasing power (often termed the target audience') or the radio or TV programmes which have the highest 'rating'. Among professional advertisers and marketing managers such an exercise is known as 'media planning' or more ambitiously, 'media research'.

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So, if I want to sell a new soft drink or a new brand of soap to upper middle class housewives, I would be advised by the 'media planner' (from the advertising agency that has also done 'product research' and drawn up the advertisement for me) to play my advertisement in a single medium or in a combination of media (the 'multimedia' campaign) most regularly read or watched by my target audience. The potential market for my product is the 'media audience' for the market researcher. It is deliberately selected segment of the whole audience, selected for its market value, not for its potential as an audience as such.From the perspective of the 'market researcher' and 'media planner', therefore , an audience is a 'construct', carved out of a larger group with the sole purpose of persuading (and manipulating) that segment of the audience to buy a product or service. To the market researcher and the advertiser, then a media audience is a group of potential customers for products and services advertised in the media.

Check your progress

1. NRS means ______
2. The Audit Bureau of Circulation of India was established in ______

Advertisers and market researchers are not the only professional group that studies media audience. Psychologists, sociologists, anthropologists and other social scientists too look at audiences from their own diverse perspective. Of course, they could assist market researchers in their efforts. In fact this is how media audience research began in the first place, in the United States. Academics were funded by business and government to look at the 'effects' of the mass media: changes in attitudes, opinions and beliefs were scrutinized to study the role of the media in bringing about changes in consumer behavior.

Later, this selling out to business and government came to be termed 'administrative research' as against the serious 'critical research of social science. Thus, research for the purpose of exploiting the media for persuasion and propaganda were ' administrative', research which questioned and challenged the status quo, which looked at the media as a social system, a research focused on media audiences as 'consumers,' as passive receivers; criti-

cal research turned the searchlight on the media themselves, studying their hidden ,meaning and their production processes.

8.2 UNIT OBJECTIVES

- To evaluate the Audience Research in India
- To know about the National readership Studies Council (NRSC)
- To analysis the exposure of various Media
- Evaluate Audit Bureau of Circulation

8.3 AUDIENCE SURVEYS IN RADIO AND TELEVISION

AIR and Doordarshan have Audience Research Units (ARUs) at their respective directorates in New Delhi. Further, each production centre also has a research cell headed by an audience research officer and assisted by a staff of six to seven research personnel. Doordarshan currently has 14 such research cells whose work is coordinated by the Director, Audience Research at New Delhi, Research in AIR and Doordarshan is, however, an in-house activity and its role is basically advisory and recommendatory. The findings are rarely made public, though the claim is that most producers, administrators and policymakers are often guided by the research results. Khurana and Malik of ARU, New Delhi, state that the recent format of the national Programme is a successful outcome of the evaluation-prompted changes that have been incorporated, in terms of telecast time, structure, content and so forth. The changes were effected on the basis of the recommendations emerging out of the two major all-India surveys conducted in December 1982 and June 1983 to assess viewers' reactions to the national programme. The main method of collecting viewers' reactions is panel surveys, and the analysis of mail received.

8.4 TELEVISION AUDIENCE SURVEYS / TRP REPORTS

The three most common methods employed for conducting television audience surveys are: the recall method, the 'consumer panel and tammeters (television audience meters). Tammeters (or 'people meters') are used widely in the West to record the times when the television set is 'on'; the meters, however, do not record who was actually watching at the time the set was switched on. The meters are connected directly to telephone lines, and these in turn to central computers. Generally, this mechanical recording is com-

bined with panel surveys and interviews to obtain a clearer picture of audience response.

In India, meters have been introduced by two research companies mavely TAM and INTAM because of the expense involved. AIR, Doordarshan and some market research agencies use the consumer panel method. Panels of respondents are requested to keep a record of their viewing over a certain period. The method has its weaknesses in terms if reliability and validity. Since the panel member has to keep a record of his viewing habits, there is every likelihood that he will watch more programmes that he would normally like to; the desire to please the marketing agency can be very strong. This is equally true of the personal interview as a method of evaluating viewer reactions.

The recall method claims MRAS, a marketing agency in Bombay, suffers from none of the drawbacks of the consumer panels and the meters. The justification for using it is because 'this method has been used for many years in Europe and the United States to monitor viewer ship,' and especially by the BBC. MRAS conducts a 'national TV viewership audit' every month for the benefit of advertisers. It 'rates' television programmes according to popularity.

8.5 TELEVISION RATING POINTS (TRPS)

These points were introduced in 1986 to assess the viewer ship of DD programes by IMRB. The TRP survey is conducted in 9 major cities of India. The TRP system launched as a panel system has become "the currency for buying and selling air time". The data is collected on a weekly – basis. The panel consists of 3124 adult members. Each panel member records the viewer ship of different TV programmes in the diary specially given to him. The data is then analyzed. The panel has two groups : primary audience of adults from TV-owning household but who watch TV at least once a week. Programmer's rating point is equal to one per cent of TV audience to illustrate, if Ramayana gets 75 TRPs it means 75 percent panel members watched Ramayana during that week. TRP weekly reports provide data on weekly viewer ship city wise for different programmes. The data is broken down for both the primary audience and the total audience (primary audience plus secondary audience). T.R.P. Monthly Reports give data of frequency of viewing, overlapping of view ship amongst programmes, cumulative reach for different episodes of the same programme. They also give viewer's profile. TRP reports are a good help for

media planners DD has also started compiling TRP's based on panels from 16 cities. They are weekly ratings.

8.6 NATIONAL READERSHIP SURVEYS (NRS)

National Readership Surveys (NRS) are conducted every few years by the Indian Market Research Bureau (IMRB), the research unit of the multinational ad agency. Hindustan Thompson Associates, on behalf of syndicated body comprising advertisers, advertising atencies, the national press and also All India Radio and Doordarshan. The NRS investigates the readership of about 80 major Indian Publications- dailies, weeklies, biweeklies and monthlies-in over 475 towns of 57 regions across the length and breadth of the country. The towns selected. However are publications centers of dailies. By a process of systematic sampling over 55,000 households in these towns are surveyed, the number of households in each town proportionate to its populations. All men and womenfolk above the age of 15 are questioned for about half an hour on the basis of a structured questionnaire.

The NRS is thus claimed to be the most thorough readership in the country. It provides exhaustive data (available to its clients on computer disks) readership, radio listenership profile'-'the socio economic characteristics of the readers of various publications, of cinema and TV viewers, and listeners to radio, as well as the degree of duplication among publications and between media.

The third Readership survey was carried out in 1985 in 463 towns and covered 322 publications besides television, radio and cinema. The sample was over 54,000 adults. The survey found that the press reaches almost half the urban adult population; the reach is higher among men (60%) than among women (30%), NRS III also noted that the English press had an 'up-market profile', and the regional language press a 'mass market profile'. Besides, it revealed that the country is gradually moving from a single media environment to a multi-media environment.

To begin with, media plans, if at all we could call them so, were based on the ABC book issued by the Audit Bureau of circulation every six months.

The first National Readership Survey (NRS) came as fresh breath in 1970. it was conducted by ORG and was major effort of assessing press reading habits in India. It heralded the coming of 'scientific' media planning.

The second NRS was conducted by IMRB and ORG jointly in 1978,

and covered media measurement of press, radio, cinema and TV in its scope. The survey restricted itself to urban India, considering the level of literacy in rural India.

The gap between the first NRS and the second NRS was eight long years. The third NRS came relatively quickly in 1983. NRS-III was conducted by IMRB.

As the fourth NRS was getting delayed, ORG conducted NRS in 1989, independent of the advertising, research and publishing companies. NRS-IV covered both rural and urban areas and all media.

Finally, NRS-IV was published in 1991 jointly by IMRB and MARG for which field work was conducted in 1990. It marks the beginning of new media trends such as video and cable TV, and new research technologies such as viewship data on the new media. It gives a new classification of households based on social class (rather than income) and considers a male housewife.

Several questions can be raised against this totally market-biased research. It is evident that the sample, however ambitiously large it might appear to be, is selective, urban-oriented, adult. The rural press, especially in the southern states where literacy levels are above the national average of 36.5% just does not come into the picture. Considering that over 77% of the Indian population is rural, in what sense is the survey 'national'? Further, if questions on 'readership' are limited to asking, which papers have you seen? Not what you have actually 'read' ,one must challenge the very claim of the survey being on 'readership'.

One is therefore led to conclude that the NRS is nothing more than a 'consumer' or 'market' survey (for which the audience is carefully 'constructed') but hyped as a 'national readership survey.' The ultimate purpose is after all to 'rate' newspapers so that advertising is attracted to them. Businessmen's Readership surveys, the Decision-markers and Celebrities Readership Surveys serve the same purpose. The results of the surveys are widely used by newspapers to make the claim that they are 'the best' 'Number One'. The 'press war' that raged in 1988-89 between the times India and the Hindustan Times, and between the Sunday Observer and Sunday Midday, for instance, was over the question of 'readership'.

Since Readership Surveys have proved controversial, newspapers, and magazines have begun citing 'circulation' figures to prove their

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Check your progress

3. ______ months ABC provides its members with audited circulation certificate of important newspaper and periodicals.

popularity in the marketplace. Circulation audits are prepared by the Audit Bureau of Circulation which has its headquarters in Bombay.

8.7 AUDIT BUREAU OF CIRCULATION (ABC)

Circulation auditing organizations function in 25 countries. In Asia, audit bureas function in Japan, Singapore, Malaysia and India. The Indians ABC is a founder –member of the international Federation of Audit Bureau of Circulations.

The Audit Bureau of Circulation (of India) was established in 1948 as a voluntary effort by national advertisers, advertising agencies and newspaper publishers in their common interest to measure circulation of publications in a true and standard manner.

The ABC is a non-profit making company limited by guarantee, and supported solely by entrance fees and annual subscriptions from its members. Advertisers pay an annual subscription on the basis of their annual press appropriations. Advertising agencies pay a fee based on their annual turnover in press advertising. And the subscription of publishers is based on their circulation levels and frequency of publication. The annual subscription for a daily newspaper with a circulation of 5,000 copies is as low as Rs.1000, and for a weekly publication with a circulation of 15,000 copies, it is only Rs.800. The Bureau bears 50% of the cost of Admission Audits in cases where such audits are successful.

Yet, the majority of newspaper and magazine publishers are not ABC members. At the end of 1989, its membership comprised 119 advertiser companies, 214 professional ad agencies and news associations, 137 daily newspapers, 61 weeklies and 95 magazines totaling 301 out of more than 25,000 publications in the entire country. Circulation wise, though ABC membership accounts for around 50% of the total circulation of 55.4 million copies.

The affairs of the ABC are guided by a Council of Management, half of which is elected annually by the General Body on a rotations basis. Equal representation is given to newspaper and magazine publishers (who are 'space sellers') on one hand, and to advertisers and ad agencies (who are 'space buyers') on the other. The chairman is elected from each of the two wings alternately.

The ABC certifies the figures of Net Paid Circulation which is defined as that portion of a publisher's circulation which has either been sold directly

to and has been paid for by the reader at normal retail prices or subscription prices or sold by the publisher through distributors at a commission not exceeding 40% of the published prices which may reasonably supposed to be sold by them and paid for by the readers at full prices.

The certificates represent six-monthly audited periods.

8.8 AUDITING PROCEDURE

Members of ABC are required to keep records to facilitate audits. An independent Chartered Accountant, appointed by the members, conducts half-yearly audits according to a procedure prescribed by the Bureau. The ABC panel or Chartered accountants then conduct Re-Check Audits of member publications, once every four years. Surprise Checks too are carried out sometimes, where ABC auditors visit publishers organization without prior notice to verify actual print runs and distributions of copies and supporting documentation.

Every six months ABC provides its members with audited circulating certificates of important newspapers and periodicals. Circulation data covers distribution of copies in various States and major cities which are potential markets. The Certificates provide information on average figures of average circulation for the audit period, month to month net sales and average figures for the previous audit periods. Information of single copy subscription sales, copies distributed at discounts and free distribution, is also given.

8.9 LIMITATIONS OF ABC

The major limitation is that the ABC has no means to verify the actual distribution effected by distributing agencies. Besides, for the purpose of certifying town-wise distribution of circulation, copies are considered as distributed in the town or places where the indenting agents are based. However, it is impossible for an auditor to verify further dispersal of copies from the centre of supply into neighboring areas. Hence circulation in rural areas and small towns cannot be accurately verified.

8.10 EXPERT AGENCIES

The ABC is an 'expert agency' where the circulation of newspapers and magazines is concerned. It is a highly reliable and trusted agency; its circulation audit is considered in the advertising and media industry as independent and objective.

'Expert agencies' are thus those organizations independent of advertisers, ad agencies and the media that offer a specialized research service. They are usually held in esteem and trusted by all three wings of the advertising industry, namely the advertiser, the agency and the media.

So, the Audience Research Units (ARUs) of All India Radio and Doordarshan would be considered 'expert agencies' where audience composition and audience response to radio and television programmes are concerned. They would also be able to provide reliable data on the reach and coverage of the broadcast media.

An 'expert' service which All India Radio provides is a Time Budget Survey which is a kind of people on how people in different regions of the country spend their time. The activities are grouped under 12 categories and cover the period from 5.00 a.m. to 12.00 midnight. Such data is useful to the media planner in scheduling ads at the most appropriate times of the day.

Other 'expert' agencies would include the market research organizations such as ORG, IMRB, MARG, MRAS-Burke, and NCAER. The ORG and IMRB carry out National Readership Surveys, while MARG and MRAS-Burde conduct opinion polls regularly for advertisers and the media. NCAER does surveys of the market-share of various products; pathfinders keep track of the 'advertising salience' of several products. The ORG has a Centre for Media Studies which carries out media surveys regularly.

8.11 NATIONAL READERSHIP STUDIES COUNCIL (NRSC)

The Indian Newspapers Society (INS), the Advertising Agency Association of India (AAAI) and the Audit Bureau of Circulation (ABC) have come together to form the National Readership Studies Council (NRSC). ABC will provide a legal and financial umbrella and a ready initial infrastructure. NRSC will be autonomous within the overall guidelines of its constituent bodies. It will have 8 representatives nominated but INS, 8 nominated by AAAI and 4 nominated by ABC. This representative can be recalled or replaced at any point of time. The council will initial critical readership studies on a regular comprehensive basis once in two years.

8.11.1 National Readership Survey, 1995

NRS – 1995 is significant as it is the first survey to be sponsored jointly by the newspaper and advertising industry. NRSC: National Readership Studies Council was formed in 1994 by INS, the AAAI and the ABC.

This survey is supervised by the NRSC. The survey began on Dec.10, 1994 and has been completed in Oct, 1995 – in a period of 10 months. The actual survey was conducted by the four leading market research organizations in India – IMRB MARG, MODE and MRAS. The findings have been divided into three segments, exposure to various media: readership and demographics.

8.11.2 Exposure

TV has the maximum exposure, reaching 76 p.c. of all urban households. Satellite and cable channels reach only 34 p.c. of all urban households. The print medium's reach is greater than 58 p.c.

8.11.3 Average Time Spent on the Mass Media

Most urban Indians spend about 14 hours a week on mass media. Of this 8.4 hours are spent on watching TV, three hours listening to the radio and only 2.1 hours reading newspapers and magazines.

8.11.4 Readership

Punjab Kesari (Hindi) is the most read newspaper in the country with a daily readership of 37, 19,000. The Daily Thanthi (Tamil) holds second place followed by Navbharath published from M.P.(Hindi). The Times of India is fourth with a readership of 32, 81,000. Incidentally it is the most read English daily in the country. India Today is the most read magazine. Most of the newspapers and magazines on the 'Top 10' list are Hindi.

Kerala, Maharashtra / Goa, and Tamil Nadu / Pondicherry have the highest level of readership at 82 p.c. and 64 p.c. respectively. Orissa, UP and Andhra are at the bottom of the readership scales.

8.11.5 Demography

Household's incomes have risen significantly in the past five years. Those below Rs.750 have increased income by 100 p.c. Those in the Rs.5000 plus category have increased by 64 p.c.

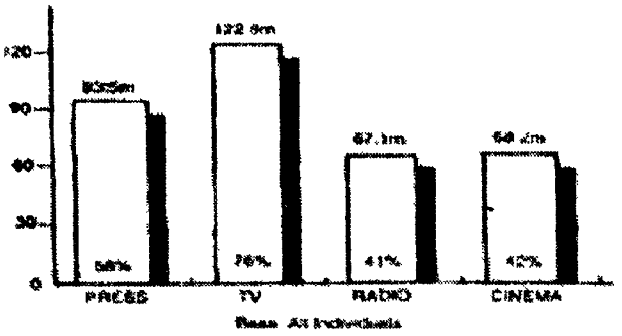
The Indian consumer is changing rapidly in demographic and psychographic ways.

8.11.6 Survey Details

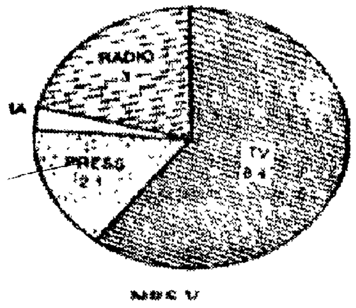
Sample: 106,909 individuals aged above 15 years living 345 towns across all urban India.

Coverage : 431 publications include 177 newspapers and 254 magazines

Exposure to Various Media



Time Spent on Mass Media
(Hours per week)



8.11.7 Television Ownership

Television has penetrated dramatically in the last five years. TV owning house holds are 27 million. (An increase of 7 millions since 1990). Three fourths of urban households have TV today (as against 48 p.c. in 1990). Among Socio-Economic class A1/A2, the penetration of TV is cent per cent. Nearly 30 p.c. o fall TV households have a colour TV (CTV). Nearly 12.5 p.c. have a remote control facility. The incidence of more then one TV set increased in A1/A2.

8.11.8 Cable and Satellite Penetration

Atleast 9.3 million households in urban India have a cable and satellite (C&S) connection. One-fifth of all urban homes have C&S connection. Within A1/A2, half the homes have C&S connection.

8.11.9 Channel Penetration

Expectly, DD 1 reaches all TV households. DD II ranks second with a 45 p.c. reach. Zee ranks a distant third with a reach of 29p.c. Star plus has a reach of 28 p.c.

8.11.10 Indian Readership Survey (IRS), 1995

Media Research User's Council conceived and monitored IRS-95. The actual survey was conducted by ORG, Baroda. It is not only a media survey but also a consumer, product and market survey. This integrated survey covered 573 town, 2056 villages and had a sample size of 160000 respondent.

The survey is proposed to be conducted every year. It also focuses on rural markets and consumers above 10 (rather than consumers above 15 in other surveys). The survey covers 494 publications, chosen on the basis of their ABC-certified circulations and other criteria for non-ABC titles. In this survey, Sunday editions are treated as separate dailies.

8.11.11 Demographics

68 p.c. receives an income of less than Rs.2000 per month. About 200 million people have a monthly income exceeding Rs.2000. The percentages of population in different population categories in urban India are as follows:

Category	Percentage of Population
A	12
B	15
D&E	51

> ***Check your progress***
>
> 4. Expansion of NRSC ______

8.11.12Media Scene

TV is a clear leader. Radio replaces press as the second most important media in rural India. Malayalam Manorama is the largest read daily (65 lac readers per day). India Today had a readership of 48 lakes. TV exposure in urban India is 74 p.c. TV reach declines as we move down the population stare. DD – National Network is the no.1 channel, followed by DD Metro and Zee TV. Local cable channels are the alternatives.

Top Dailies: All India

English	Hindi	Regional
1. Times of India	1. Dainik Jagran	1. Malayalam Manorama
2. Indian Express	2. Punjab kesari	2. Mathrubhumi
3. Hindu	3. Navbharath	3. Daily Thanthi

Top Dailies: Urban

English	Hindi	Regional
1.Times of India	1. Punjab Kesari	1. Anand Bazar Patrika
2. Indian Express	2. Nabharath	2. Daily Thanthi
3. Hindu	3. Dainik Jagran	3. Eenadu

Top Magazines Urban

English	Hindi	Regional
1.india Today	1. Grihashobha	1. Kumudam
2. Competition Success Review	2. India Today	2. MalaspalaMonorama Weekly
3. Reader Digest	3. Manohar Kahaniyan	3. Swati

TV Exposure

Channel	Urban Percentage	Rural Percentage
Total	74.1	31.5
Only DD	55.3	28.3
Only DDI	33.6	23.1
Cable and Satellite (C&S)	18.8	2.7

8.11.13N R S V

National Readership Survey (NRS) V 1995 jointly conducted by IMRB, MARG, MODE, MRAS Patronage: National Readership Studies Council: NRSC (consisting of AAA of I, ABC and INS)

Demographic Findings

There is an increase in income levels over the past five years, Middle class household constitute 58 p.c. of all urban households, as against 37 p.c. in 19990. high income household (Rs. 5000) plus have gone up from 1.2 million to 4.5 millions.

Middle class is spread over towns and cities. Upper class is concentrated in urban areas having populations of more than one million. (50 p.c. of them inhabit cities with over one million popula-

tion). Of all urban adults, working women constitute 17 per cent. There is larger proportion of working women is South.

- Working population has reduced (by 6%), traders have increased (by 7%). The E class thus has only 27 p.c. of the urban population.
- There is a large population of well-educated adults. There is larger population of graduates in the North.

8.11.14 Media Penetration

Press has not been affected much by the invasion of the skies by satellite channels. Radio has been adversely affected both in terms of reach and penetration. Cinema has shown signs of revival. TV's penetration has not increased, though ST TV has proliferated. For consumer products, ad budgets have shifted to TV. In area with more than one million population, penetration has increased especially of the dailies and cinema; followed by TV. Town (1 to 5 lac population) have become receptive to media. Town between 5 to 10 lac population have responded weakly to media. Town under one lac have shown a decline in media penetration. Media penetration has increased most in 35-44 age group, followed by 45+ group. The youngsters are less enthusiastic about media.

8.11.15 TV Viewing

Viewing has increased in both satellite and non-satellite homes. DD's programming quality has improved substantially since NRS –IV. Sunday viewing is skewed to an hour or more.

8.11.16 Print Medium

Although press has maintained its own against the onslaught of TV, regional press has shown a decline in reach. The circulations of leading dailies have shown an increase of 21p.c. The readership however has increased by 11 p.c. AR per copy (average readership per copy) has, therefore, shows a decline of 9 p.c. Magazine circulations have remained static. The readership has fallen by 10 pc. Famine' is now read by more youngsters and teenagers and Savvy by older women.

8.12 SUMMARY

This chapter discusses Audience surveys in Radio and television. Television rating points, National Readership surveys, Audit Bureau of circulation and National readership survey.

8.13 ANSWER T CHECK YOUR PROGRESS

1. National Readership Survey
2. 1948
3. Every six
4. National Readership Studies Council

8.14 MODEL QUESTIONS

1. What are the contributions of ABC, NRS in audience research in India?

ADVERTISING COPY-TESTING AND DIAGNOSIS

STRUCTURE

9.1 Introduction of Copy – Testing Strategy
9.2 Unit objectives
9.3 Diagnostic Copy Tests
9.4 CONPAAD
9.5 Tracking Studies
9.6 Selecting Copy Test: Validity and Reliability
9.7 The PACT Principles
9.8 Summary
9.9 Answer to check your progress
9.10 Model questions

9.1. INTRODUCTION OF COPY – TESTING STRATEGY

There are three factors that have to be addressed in copy testing: (1) whether or not to test, (2) what and when to test, and (3) what criteria or test to use. Every advertising manager must consider these (actors in the context of the overall advertising plan. Copy testing implies that funds will be allocated to research on consumer reactions to the advertising before the final campaign is launched.

9.2. UNIT OBJECTIVES

- To analysis the advertising Copy-Testing and Diagnosis
- To examine the validity and reliability of selecting Copy Test
- Describe copy Test sensitivity, and other considerations
- Examine the PACT principles
- To find alternative methods of Copy Testing

Should You Copy-Test?

The first decision is really whether or not to spend more money on research. It is interesting that in terms of total advertising volume, the usual decision is "no". Most Local advertising is not tested, and there are many cases in national advertising where copy is used without formal copy testing of any kind. (A recent Survey found that about 18 to 19 percent of the largest advertisers and agencies claimed that they did not pretest their TV commercials) Not only are there money costs involved in testing, but there are time costs as well. Copy testing can mean weeks or months of delay in launching a campaign.

On the other hand, if you are managing a new product entry involving a $20 million advertising budget, investing in copy testing makes sense. Relying solely on the judgments of a creative team, your own experience, or somebody's intuition is very risky when so much is at a take. What is needed is a test of how potential consumers will react, that is copy testing.

Having said that, it should be pointed out that several "hot" creative agencies strongly believe that their creative product tends to be more fresh and original because they do not test their ads before running them. Many creative people in agencies (but certainly not all) hold a rather negative view of copy testing, viewing it as a report card, a policeman, something that only tells them what is working or not, but not why. Of course, total creative license (with no copy testing) has also been known to have led to ad campaigns that have "bombed" in the marketplace so most creative appreciate the "reality check" it provides. But it is clearly important to select a copy-testing system that the creative respect and believe in, and-find useful, and it is important that ads not be created simply to score well on the copy-testing system being used in political, "gaming" fashion.

What and What should you Test?

What and when to test? Copy testing can be done at (1) the beginning of the creative process, 92) the end of the creative process (at the layout stage), (3) the end of the production stage, and / or (4) after the campaign has been launched. In general, tests at the first three stages are called pretests and those at the final stage are called posttests. Various types of tests can be used at any of the four stages and will differ by whether broadcast or print advertising is involved.

Testing at the beginning of the creative process often involves qualitative research, such as focus group interviews to get reactions to copy ideas.

These are better suited to the testing of alternative strategies than to the testing of executional ideas, because the executional ideas may be too "rough" to be really testable.

At stage 2, rough mock-ups of the finished copy or, in television, partially complete commercials are tested because of the lower expenses involved (a fully produced commercial typically costs in excess of $200.000). While these rough ads (called animatics, photomatics, livamatics, etc.) are reasonably good predictors of final effectiveness, they must be used with caution in situations where the success of the ad will eventually depend substantially on the actual casting of characters, the actual and final editing of scenes, and so on.

According to a recent survey of leading advertisers and agencies, most pretesting of TV commercials is currently done using such animatics (a video of drawing of the scenes of the commercials, with audio dubbed on), using consumer focus groups or mall intercepts, with the key tests being the clarity of communication and the believability of key copy pints. The trend over the last ten years seems to be more towards such quicker, qualitative research, using such rough test ads. We will discuss such rough testing in greater detail below in this chapter.

Stage 3 is often bypassed, particularly in cases where the advertising has been shown or aired several times and the new copy is not radically different. A basic issue is whether to develop and test just one version of the advertising, or whether two or more versions should be developed and tested. It is logical, but also expensive, to have alternatives to test. In general, it is more expensive to test at the third and fourth stages. When there is much at stake when millions dollars of media time and expensive creative and production effort are involved, a substantial investment in copy testing at all stages is easily justified.

What Criteria should be used?

What criteria or copy test should be used? Copy-testing services can be distinguished by the nature of the response variable used in the test. Although many other factors enter into the choice of a copy test. The criterion (dependenet) variable is probably the most important thing on which to focus. What does a particular test measure? How accurate or valid are these measures? We now review five criteria widely used in copy testing and give examples of copy-testing services based on them.

There are five basic criteria or categories of response that are widely

NOTES

used in advertising research. The first is advertisement recognition. The second, used heavily in television, is recall of the commercial and its contents. The third is persuasion (or attitude change). Fourth, the criterion of purchase behaviour is used. A fifth and newer measure is the testing of effects on brand loyalty or the amount of product or service consumed. Some of the se criteria will be seen to be more suitable for post-testing of already running advertisements and others for pretesting, though most can be adapted to either pre-or post testing.

The key question in choosing among them is what is the relevant measure of advertising effectiveness for this brand, for this campaign, in the present marketing context? Every brand usually has an advertising 'problem' at one of the 'hierarchy" levels of awareness, preference (favorable attitudes), trial, or repurchase, and that "diagnostic" consumer data regarding these levels could be used to identify the specific objectives for any particular ad or ad campaign. Further, as was discussed earlier in Chapter 5, recalls (and recognition) are usually more important objectives in low-involvement situations, with persuasion the criterion in more highly-involving situations. Thus, every ad begin copy-tested should usually have its effectiveness criteria specified in advance.

> ***Check your progress***
>
> 1. How many factors that have to be addressed in copy testing ______

Even so, it is unlikely that only one single criterion will exist for ad effectiveness multiple criteria are usually required. For instance, it is ofen useful to think of an ad's recognition or recall scores as indicative of the "breadth" of that ad's effectiveness. Because they tell you "how many" people were "reached" by that ad. In contrast, the ad's persuasion or purchase intent scores can be seen as indicators of how "deeply" the ad influenced those people that it "reached". Were they moved enough by it to prefer this brand to others, to want to try it?

Each criterion and the measures and service associated with it are discussed below.

Recognition

Recognition refers to whether a respondent can recognize an advertisement as one the or she has seen before. An example of recognition testing is the Bruzzone Research Company (BRC) tests of television commercials. These tests are done by mail survey to 1,000 households. The sample is drawn from a specially prepared mailing list of households that have either a registered automobile or a listed telephone number. Interest in the task and a dollar bill enclosed with the questionnaire usually generates a return sample of about

500. The recognition question is shown at the top. At the bottom is the brand association question, a critical dimension of most campaigns. In average 60 percent of these can correctly select the right brand from a list of three alternatives. Test-retest correlations of 0.898 have been reported.

Communication is another company that uses recognition measures for either television or radio commercial tests. In television, respondents are shown brief (ten-second) edited portions or the commercial, excluding advertiser identification. They are asked to indicate if they have seen or heard it before, to identify the advertiser, and to play back other identifying copy points. Some research has shown that there is a drop off in the percentage of people who can identify a sponsor falling from an average of 59 percent in 1974 to about 50 percent in 1980, perhaps because of increased clutter.

The most widely known service in measuring print advertising recognition is Starch INRA Hooper. This service began in 1923. In a typical Starch test, respondents are taken through a magazine and, for each advertisement, asked if they saw it in the issue. Three measures are generated for each advertisement in the magazine called noted, seen associated and read most. Each is a percentage derived as follows:

Noted: the percentage of readers of the issue who remember having seen the seen associated: advertisement the percentage who saw any part of the advertisement that Read most: clearly indicates the brand, service, or advertisement, the percentage who read half or more of the copy.

Studies using Starch data show that recognition depends on the product class, the involvement of the consumer segment in the product class, and on variables such as size, color, position, copy approach, and the nature of the magazine or media. Various reviews of these Starch (and similar) data are available. Although Starch scores are highly reliable in a test-retest sense, there is concern about validity. The respondent can claim readership where none exits to please or impress the interviewer or because of confusion with prior advertising for the brand. Though this bias can be difficult to predict for a particular advertisement, researchers such as Surendra Singh and colleagues have suggested ways to adjust claimed recognition scores to obtain better estimates of actual recognition.

Recognition is a necessary condition for effective advertising. If the advertisement cannot pass this minimal test it probably will not be effective. In one study of inquiries received by an advertiser of electronic instrumentation, those with low Starch Scores were also low in inquiries received.

It should also be noted that high recognition scores are easier to achieve than are high recall scores, since recognition requires only a judgment about the stimulus and does not require as much retrieval of information from memory as is required by, say an unaided recall task. Thus recognition can be created by even partly attentive television viewing that does not lead to conscious recall. This may make visually oriented recognition viewing that does not lead to conscious recall. This may make visually oriented recognition scores a more suitable measure of memory than recall for short (fifteen-second) television ads. "Some researchers believe that recognition scores decline more slowly over time than recall scores do. Though Surendra Singh. Michael Roths childs, and Gilbert Churchill have shown that a "forced – choice' recognition measure that is "tougher" than a usual yes-no measure does, in fact decay over time and is a sensitive measure of the memory effect of a commercial.

Finally, some researchers have argued that ads should be pretested using techniques even more sensitive than recognition, such as word fragment or sentence completion, or picture identification. It is argued that such measures of "implicit memory" may apply better to situations when consumers process the ad only very passively. Under such conditions, traditional recognition tests may suggest that an ad had no effect, but (it is argued) consumers who saw the ad and processed it minimally may be able to "fill in" a brand name fragment presented to them (e.g C_K_ may be filled –in s COKE), better than consumers who didn't see the ad, proving that they did in fact see the ad.

Recall

Recall refers to measures of the proportion of a sample audience that can recall an advertisement. There are two kinds of recall, aid recall and unaided recall. In aided recall, the respondent is prompted by showing a picture of the advertisement with the sponsor or brand name blanked out. In unaided recall, only the product or service name may be given. The best known recall method in Television, interviewing viewers within twenty-four to thirty hours after the commercial is aired, is called the day-after-recall method.

Day after Recall

The day-after-recall (DAR) measure of a television commercial, first used in the early 1940s by George Gallup, then with Young & Rubuicam is closely associated with Burke Marketing Research, which was recently acquired by ASI. The procedure in most recall tests, which vary by vendor, is to

telephone 150 to 300 program viewers twenty-four hours after a television commercial appears. (Some other companies use a different time period, such as seventy-two hours). They are asked if they can recall any commercials the previous day in a product category (such as soap). If they cannot identify the brand correctly, they are then given the product category and brand and asked if they recalled the commercial. They are then asked for anything they can recall about the commercial, what was said. What was shown, and what the main idea was.

DAR is the percentage of those in the commercial audiences (who were watching the show before and after the commercial was shown) who recalled something specific about the commercial, such as the sales message, the story line the plot or some visual or audio element. This is called the percent proven recall. A less tightly defined measure of people who have seen something of the ad but maybe don't play back a very specific element is called percent related recall. These recall percentages for the ad being tested are always compared against the norm the historical average for ads of similar length, from similar product categories from similar (old/new) brands. The test also provides specific verbatim (transcripts) of what people remember of the ad and analyzes them for the nature of the main message that got communicated.

The DAR is an on-air in that the commercial exposure occurs in a natural, realistic in-home setting. (Sometimes, to save money, the ad is aired on a local cable channel, and viewers are pre invited to which the program on that channel) it is well established and has developed extensive norms over the years. The average Burke DAR was 24. One-fourth of all commercials scored under 15 and one fourth scored over 31. It also provided diagnostic information about which elements of the commercial are having an impact and which are not.

Many copy-testing companies provide a similar recall measure for print media. They may place a magazine with 150 regular readers of that magazine and ask that it be read in a normal manner. The next day readers are asked to describe ads for any brands of interest. Similar test shave also been developed for radio; consumers in a shopping mall fill out a questionnaire in a room while listening to the radio in the background (which plays the radio ad being tested). Twenty-four hours later, they are called back on the telephone and asked questions about recall as well as diagnostic questions on what they like and why.

Problems with Recall Scores

Recall measures have generated controversy over the years and as a result, are not as influential as they one were. Once concern is that they are an inappropriate measure of emotional commercials. Foote, Cone & Belding measured both masked recognition (where the brand name is blocked out) and DAR for three "feeling" commercials and three "thinking" commercials. The DAR was much lower for the feeling commercials (19 versus 31) whereas the recognition scores were only marginally lower (32 versus 37). The conclusion was that recognition is a better measure of the ability of a feeling commercial's memorability than DAR, which requires the verbalization of the content.

Researchers have also shown that the recall of emotional ads goes up if they are prompted not with the name of the product category of the brand in the ad (the usual method") but, instead, with a description of the opening scene of the ad. It is possible that this increase in recall occurs because this second method (using an "executional prompt") is more consistent with the way in which viewers who are "just watching" ads on TV actually process the ad, and thus with how memory of that ad is stored in their minds.

A more basic concern with DAR is that it simply is not a vlid measure of anything useful. First, its reliability is suspect. Extremely low test-retest correlations (below 0.30) have been found when commercials fromt eh same product class have been studied. Second, DAR scores are unduly affected by the liking and nature of the program. For example, DAR scores of commercials in new programs average 25 percent or more below commercials in other shows. Third, the scores vary markedly with the nature of the consumer being tested. If the consumer is a recent purchaser of the product category, scores are higher than if the purchaser is not really in the target market.

Fourth and most compelling, of eight relevant studies, seven found practically no association between recall and measures of persuasion. Neither is there evidence of a positive association between recall and sales. In contrast there is substantial evidence linking persuasion measures with sales. Recall and persuasion are conceptually two very different kinds of advertising effects and one should never be used an automatic proxy for the other. Thus ads may need to be tested separately for persuasion.

Persuasion

Forced-Exposure Brand-Preference Change

Theater testing, pioneered by Horace Schwerin and Paul Lazarsfeld in the 1950s, is now done by McCollum/Spietman, ASI and ARS.

The McColuum/Spielman test uses a 450-person sample spread over four graphically dispersed locations. The respondents are recruited by telephone to come to a central local to preview television programming. Seated in groups of twenty-five in front of television monitors, they respond to a set of demc-graphic and brand – product usage questions that appear on the screen. The respondents view a half-hour variety program featuring for professional performers. In the midpoint, seven commercials are shown.

Performer	Performer	T	C	T	C	T	C	T	Performer	Performer
A	B	1		2		3		4	C	D

C = Constant Commercials T = Test commercials

After audience reactions to the program are obtained, an unaided brand name recall question is asked that forms the basis of the clutter-awareness score (the percentage who recalled that the brand was advertised). The clutter awareness (C/A) Score for thirty-second commercials average 56 percent for established brands and 40 percent for new brands. The four test commercials are then exposed a second time surrounded by program material.

Performer Intro	T 1	Program	T 2	Program	T 3	Program	T 4	Program

> ***Check your progress***
>
> 2. Testing at the beginning of the creative process often involves
>
> ______

An attitude shift (AS) measure is obtained. For frequently purchased package goods such as toiletries, the pre exposure designation of brand purchased most often is compared with the post exposure brand selection in a market basket award situation. The respondents are asked to select brands they would like included if they were winners of $25 basket of products. In product fields with multiple brand usage, such as soft drinks, a constant sum measure (ten points to be allocated to brands proportional to how they are preferred) is employed before and after exposure. For durables and services, the pre-and post preference is measured by determining.

- The favorite brand
- The next preferred alternative
- Those brands that would not be considered
- Those brands that are neither preferred not rejected.

An important element of the test is the use of two exposures. McCioluum/

Spielmann ᐧ .ertis. . gue that fewer than two exposures represent an artific. . invalid test of most advertising. It is especially – important that "emotional" ads be tested in a multiple-exposure copy test, because (compared to "rational" ads) such ads "build" (gain in response) more slowly with repetition, and a single-exposure copy test would not accurately gauge the response they would get when frequently exposed in the market place.

Finally, diagnostic questions are asked. Some of the areas that are frequently explored include.

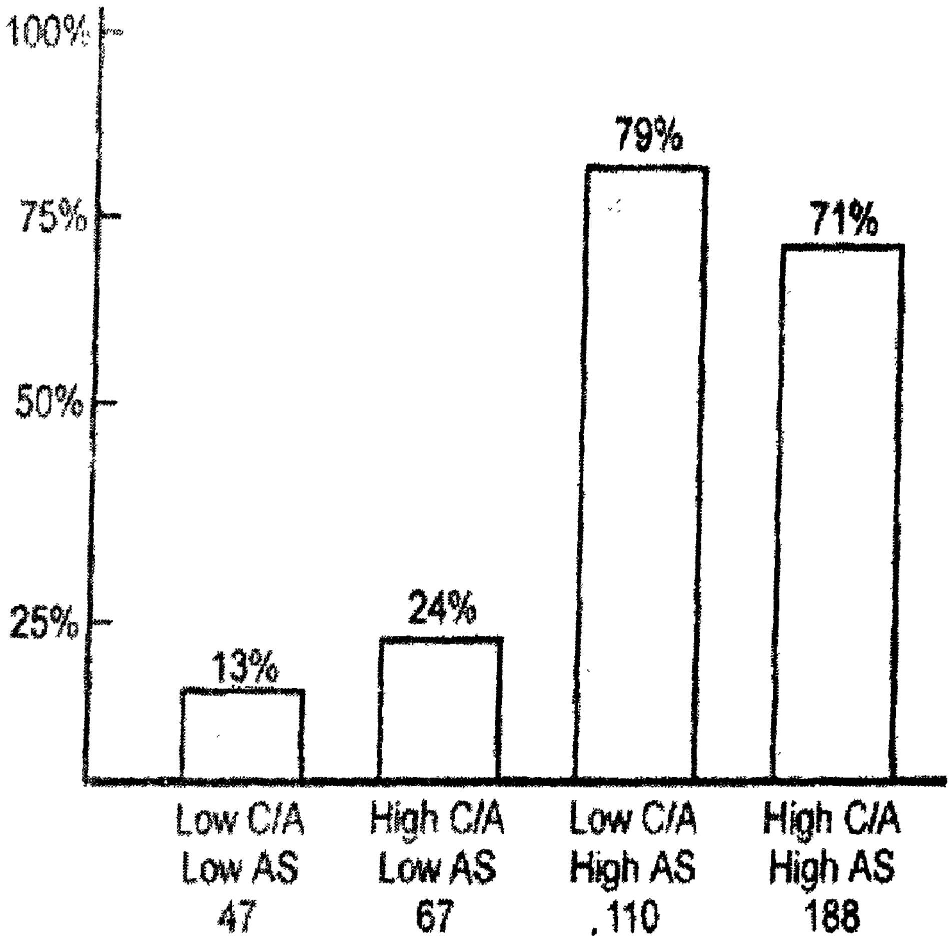
- Comprehension of message-slogan
- Communication of secondary copy ideas
- Evaluation of demonstrations, spokesperson, message
- Perception of brand uniqueness / brand differentiation
- Irritating / confusing elements.
- Viewer involvement

In a rare copy-test validity check, McCollum/Spielman asked advertisers of 412 campaigns (some campaigns consisted of several commercials) that were tested over a three-year period whether the brand had exceeded marketing objectives during the time that the campaign was being aired. These advertising campaigns were then divided into four groups.

- High AS (attitude Shift) and high A/c (awareness / Communication)
- High AS and low A/C.
- Low AS and high A/C.
- Low AS and low A/C.

The results are shown in Figure Clearly, the AS persuasion measure was a good predictor of campaign success. The A/C recall measure, on the other hand, may have diagnostic value but it had little relationship to campaign success.

The ARS approach is similar except that their proven recall measure is the percent of respondents that seventy-two hours later claim having seen theh advertisement and can give some playback of it. ARS obtained a correlation of 0.78 with their proven recall measure and the unaided brand awareness level achieved by twenty-four new brands in test markets. Their preand post persuasion measure had a correlation of 0.85 with the trial rate of twenty six new brands in test markets. Further, the ARS persuasion score correctly predicted which of two commercials would achieve higher test market sales.



The percentage of Campaigns exceeding marketing objectives by their performance in the McCollum/Spielman Text

ASI relies on a pre and post measure of brand selection, in a prize – drawing context. Reliability studies across 100 commercials in fifteen product categories yielded test-retest reliability correlations of from 0.81 to 0.88. Fifteen hundred commercials per year are tested by ASI so well developed and current norms are available.

The Buy Test design of the Sherman Group does not invclve a central location. The respondents are often recruited and exposed to advertising in shopping malls. A series of unaided questions on advertisement and copy recall identify those in the recall/understand group. The advertising involvement group are those who had a favorable emotional response, who believed that the brand positioning fit the execution, and who felt that the advertisement was worth looking at (or reading). The buying urgency group is identified in part by intentions to buy, improved product opinion, and the motivation to tell someone something about it. A basic measure, the BUY score, is the percentage of those exposed who become parts of all three groups. In 75 percent of fifty cases, the BUY score generated different outcomes from other persuasion

measurements. In twenty test-retest contexts, the average difference of the BUY score was within three percentage points.

On-Air Tests: Brand – preference Change

In a Mapes & Ross test, commercials are aired in a pre selected prime-time position on a UHF station in each of three major markets. Prior to the test, a sample of 200 viewers (150 if it is an all0-male target audience) are contacted by phone and invited to participate in a survey and cash award drawing that requires viewing the test progam. Respondents provide unaided brand-name awareness and are questioned about their brand preferences for a number of different product categories. The day following the commercial exposure, the respondents again answer brand preference as well as DAR questions. The key Mapes & Ross measure is pre-and post-brand-preference change.

Purchase Behaviour

The fourth criterion is actual brand choice in an in-store, real – world setting. These tests focus on the effects of exposure to shifts in actual purchase behavior. Two well known tests are those using coupons to stimulate purchasing and those involving split cable testing.

Coupon-Stimulated Purchasing

In the Tele-Research approach, 600 shoppers are intercepted in a shopping centre location, usually in Los Angles, and randomly assigned to test or control groups. The test group is exposed to five television or radio commercials or six print ads. Around 250 subjects in the test group complete a questionnaire on the commercial. Both groups are given a customer code number and packets of coupons, including one for the test brand, which can be redeemed in a nearby cooperating drugstore or supermarket. The selling effectiveness score is the ratio of purchases by viewer shoppers divided by the rate of purchases by control shoppers Purchases are tracked by scanner data. Although the exposure context is highly artificial, the purchase choice is relatively realistic in that real money is spent in a real store.

Coupon use or inquiries: Split – Run Tests

A somewhat different test is often used in the industrial marketing context, in which ads are designed to generate inquiries (often via coupons) that it is hoped will eventually be converted into sales via sales calls. Here, it is often possible to conduct a split-run test in which two different versions of an ad are created and placed into one magazine print run in such a way that ad versions A and B are placed into random halves of the print run. Each ad has

a coupon or other response device (such as a toll-free telephone number), and each at has a unique code or "key" number to track which of those pulled each response that come in Once these logistics are in place, it is easy to test which one of the two ads being cited is the more effective in generating inquiries or leads.

Split – Cable-Testing

Split-cable testing by firms such as Behavior Scan has been described in detail in Chapter 16. A panel of around 3,000 households is recruited in test cities. An ID card presented by the panel member to the checkout stand, coupled with a computerized scanner system, allows the purchases of the member to be monitored. The in-store activity is also monitored. Further, panelists have a device connected to their TV set that allows behavior Scan to monitor what channel is tuned and also to substitute one advertisement or another. Thus, panelists can be divided into matched groups and different advertising directed at each.

AT& T used the AD Tel (Burke) Split-cable system to test a new "Cost of Visit" campaign against the established "Reach Out" campaign. "Research had determined that a substantial light-user segment had a psychological price barrier to calling and overestimated the cost, particularly at off-peak times.

The campaign objective was to communicate among the light users how inexpensive a twenty-minute telephone visit can be and to stimulate usage during off-peak times. The "Cost of Visit" theme contained surprise (of the low cost), appropriateness of a twenty-minute visit, and total cost of $3.33 (some believed that it would cost $20.00).

Two matched Adtel panel groups of 8,000 were created. During a fifteen month period the two campaigns were aird, one to each group. Each household received three exposures per week (300 gross rating points per week). Compared to the "Reach Out" campaign the "Cost of Visit" campaign increased calls during the deep-discount period by 0.6 calls pe well among all households and 1.5 calls per week among light-user households. Projections indicated that the campaign worked generate $100 million in extra revenue during a five years period.

Two additional analyses are of interest. During the six months after the test emended, usage fell off but not to the level prior to the test. However, it was clear that reinforcement advertising was needed. The "Cost of Visit" campaigns toward the value of a long-distance call are the attitude about the rates.

Split-Cable testing is the ultimate in testing validity because it allows the averter to control experimentally for the effect of the others marketing mix elements and accurately measure the effect of advertising an short-term sales. Further, the sales result themselves, when viewed in isolation, offer no clue about the longer-term effect of the split cable testing method far less then other alternatives.

Measuring Increasing in Loyalty and in Consumption Frequency

In recent years, more and more advertisers have begun to create advertising that aims not at creating mere brand preference or favorable attitudes but at deepening already existing favorable attitudes. As discussed earlier in on "Behavioral Dynamics", in most product categories, consumers are not loyal to just one brand but instead divide their consumption among several well-liked brands. The advertising objective for any one of these well-liked brands is thus to increase its "share of category requirements" for such consumers.

Many copy-testing services have begun to modify their standard methods to capture these "franchise- deepening" effects of ad. For instance, Napes and Ross compares data from consumers exposed to an ad versus some not exposed to it among consumers who already consider the brands and as being in their list of favored brands, on both actual post exposure buying patterns as well as on different kinds of attitude statements. They then analyze which specific attitude statements best predict actual increases in units bought, and see which ads best increase these key attitude statements.

Similarly, McCollum-separately claims to have developed a system in which the effects of an ad analyzed separately across consumer segments for that brand that have shown high, medium, or low loyalty to it in the past, so that the loyalty-bolstering effects of the ad sought for the "highly loyals.

Normed Vs customized Measures of Effect

Standardized copy-test measures are use ful because they come with norms sometimes based on thousands of past tests. Thus, the interpretation of the test becomes more meaningful. In fact, some copy-test services provide scores that have been adjusted such that the executional impact of the particular ad execution being tested is separated from the impact of the product category itself, the length (duration) of that ad, and so on. They point out that most-up to 80 percent of an ad's score on recall and/or persuasion can be a function not of the ad itself, but of these background variables. Thus, it is clearly useful to use these standardized, normed tests.

However, some objectives, particularly communication objectives, are necessarily unique to a brand and may require questions tailored to that brand. For example, chevron an energy company in the US ran a series of twelve print ads in 1980, such as the one shown in Figure 14-4, Mostly telling people that chevron made a lot less profit than people thought. 29A posttest sample of 380 respondents were interviewed. Belief change was measured on the item "chevron makes too much profit" for those aware of t he advertising. The ads had a small effect, as those agreeing fell from 81 percent to 72 percent.

Interestingly, however, data from the same study showed that people seeing these print ads and the very positive "Energy Frontier" television campaign actually had less attitude change toward chevron than did those seeing only the television ads. Thus, the print ads (20 percent of the budget) actually reduced the impact on the attitude toward the firm calling attention to a source of irritation –Oil Company profits-tended to counteract the positive attitude change. The Chevron experience graphically illustrates the risk of measuring a part of a campaign in isolation.

9.3 DIAGNOSTIC COPY TESTS

An entire category of advertising research methods is designed primarily not to test the impact of a total ad but to help creative people understand how the parts of the ad contribute to its impact, which are the weaker parts of t ad, and how do they interact most of these approaches can be applied to mock-ups of proposed as well as finished ads.

> ***Check your progress***
>
> 3. CONPADD it means _____ analysis of advertising

Qualitative Research

Focus groups research is widely used at the front end of the development of an advertising campaign in one study of the techniques used by 112 (out of 150 surveyed) of the top advertisers and agencies, focus groups were used 96 percent of the time to generate ideas for advertisements, and 60 percent of the time to test reactions to rough executions. The use of such qualitative techniques, using "rough" ads, has increased over the last ten years.

Audience Impressions of the Ad

Many copy tests add a set of open-ended questions to the procedures designed to tap the audience's impressions of what the ad was about, what ideas were presenter, interest in the ideas, and so on. One goal is to detect potential misperceptions. Another is to uncover unintended associations that may be cause for concern.

Adjective Check lists

The BRC mail question, shown earlier includes an adjective checklist that allows the advertiser to determine how warm, amusing, irritating, or informative the respondent thinks it to be. Similar checklists are used by ASI Tele Research, and other firms and agencies. The agencies Leo Burnett and Young & Rubicam use a similar phrase checklist extensively, often called a VRP (for viewer response profile). Several of their phrases tap on empathy dimension, "I can see myself doing that, "I can relate to that, "and so on. Some believe that unless advertisements can achieve a degree of empathy, they will not perform well.

Copy –Testing Emotional Response

Many advertising agencies have begun testing their ads using exhaustive batteries of possible emotional and feeling responses, to guage whther their ads are evoking the targeted emotions and whether some undesirable negative emotion are being evoked by accident. Various sets of verbal scales have been reported that can be used to gauge such emotional response, and used by Ayer and Mc-CAnn-Erickson, among others. Leo Burnett reportedly tests such responses using computer-aided consumer interviewing, the consumer first selects one of few major emotional categories to describe the feelings evoked by the ad, and then computer then moves to amore finely-grained typology of emotions within that major category, and so on.

BBDO prefers to use non verbal system, in which consumers who see the ad are presented with fifty-three photographs of people's faces, each face carefully chosen to display one of twenty-six particular emotional states from among the universe to emotions. Consumers select the faces that best reflect their own feeling states and researchers tabulate how often particular photos are chosen. Statistical analysis then places each ad in a two dimensional emotional space, with the dimensions being active-passive and positive –negative. (These two dimensions are often found in research on emotions.) When this system was used by BBDo on the Gillette ad called "The Best a man can Get", the emotional strategy objective of making man feel better about their shaving experience was apparently met: the ad made men report increased feeling of pride and confidence, as well as joy and happiness.

Physiological Measures

Several kinds of physiological instruments are to observe reactions to advertisements. In general, they attempt to capture sequence, in the nervous

system or emotional arousal during the exposure sequence. The first two reviewed focus on eye movement.

Eye Camera

This is a device that photographs eye or takes a motion picture of eye Movement. The device records the point on a print advertisement or package, where the eye focuses sixty times each second. Analysis can determine what the reader saw that he or she "returned to, "and what point was "fixed upon". In package research, a respondent can be asked to find a test brand placed on a shelf of competing packages.

Pupillometrics

Pupillometrics deals with eye dilation. Eyes dilate when something interesting on pleasant is seen and constrict when constrict when confronted with unpleasant, distasteful or uninteresting things. One interesting application is its use in screening new television programs. several related eye-movement devices are used including the tachistoscope, blur meter, distance meter illumination meter, and stereo rater.

9.4. CONPAAD

Conjugate programmed analysis of advertising (CONPAAD) has a respondent operate either a foot or hand device which controls the intensity of the audio and video channels of a television set. The viewer must exert effort to sustain the signals, which have been programmed to decay in a specific pattern. His or her effort keeps audio and video going is used as a measure of attention and interest in the advertising.

Brain Waves

Some companies test ads by means of the amount, nature, and distribution of the brain waves evoked. Consumers are placed into seats and have electrodes placed on different parts (front, back, left right) of their scalps. As the ad is shown to them, the brain wave activity in various regions of their brains is recorded through electron cephatograpbhy (EEG). These measures cover various frequency ranges and are averaged over time and normalize for each individual being tested. Analysis of the frequency and amplitude of this activity can be interpreted to check the attention-getting power of different parts of the commercial, as well as of the ad as a whole. For instance, recognition of parts of the ad has been shown to be related to increased left hemispheric processing for those parts. The left hemisphere is typically associated

with more effortful, analytic, attentional processing, So that an increasing in such processing indicates more voluntary information processing.

The possible problems with such data, as with other physicolgoical data (such as galvanic skin response, etc.) are (1) the contamination effects of "artifacts" (if relevant of the ad) and (2) the somewhat difficult – to – interpret nature of the data (what does reduced or increased brain wave activity really means in terms of cognitive processes, for example?).

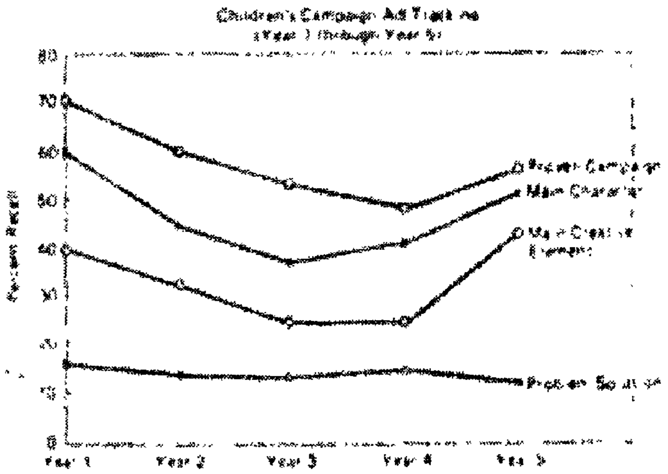
"On-Line" Monitoring of Commercial Response

A device used by respondents to register interest is part of Aslin-theater tests. It is a dial that can be turned up or down to indicate high or low interest. Data from the dial interest recorder are used to provide diagnostic information on what parts of the commercial were of high or low interest. Market fact has developed a system in which a respondent presses a button when something in the commercial strikes her or him as especially interesting or irritating. The respondents then shown the commercial again and asked why the button was purchased at each point. The result is a second-by-second understanding of audience reaction. Similar techniques have been used by Linda Alwitt and colleagues to study how soon, and how often, brand should be shown in a commercial (the answers depend on whether the ad is trying to leverage a brand's existing equity or to change it).

David Aaker, Douglas stay man, and Michael Hegerty have used a computer joystick to measure respondent reactions to feelings of warmth while viewing commercials. The procedure can also be used to monitor other feelings, such as irritation, humor, or liking James MacLachlan and John Myers have used the time it takes the respondent to make a choice between competing brands as a measure of the relative effectiveness of advertising. This is called response latency and has several other applications in advertising research. Another potentially useful technique is called facial action coding. By observing changes in facial expressions during exposure, several kinds of emotional response can be monitored. G. David Huges and colleagues have developed dial-turning continuous measurement methods to obtain affective (feeling) and other measures of responses to ads, and have found that the "Weaving out" of an ad can be anticipated via such measures because they show when consumers cease to do any "fresh" processing of such ads.

9.5 TRACKING STUDIES

When a campaign is running, its impact is often monitored via a tracking study. Periodic sampling of the target audience provides a time trend of measures of interest. The purpose is to evaluate and reassess the advertising campaign and perhaps also to understand why it is or is not working. Among the measures that are often tracked are advertisement awareness, awareness of elements of the advertisement, brand awareness, beliefs about brand attributes, brand image ratings, occasions of use, and brand preference. For durable such as cars, consumers are asked what brands they would consider buying on their next purchase, and what brand they are most likely to buy next. Of particular interest is to know how the campaign is affecting the brand, as opposed to how the advertisement is communicating.



Examples of ad tracking.

Figure above shows the tracking of an advertising campaign directed at children for a beverage product. Personal interviews were held with children from six to twelve years old. They were shown visual stimuli such as pictures of brand packaging or the drawing of advertising characters: The mostly open-ended questions were constituently coded over five years. The interest was in "main character", who was the personification of the brand and playback of the "story" of the advertising the main creative element.

9.6. SELECTING COPY TEST: VALIDITY AND RELIABILITY

A very wide range of copy-testing alternatives has been developed and is available to the advertiser. Beyond the question of whether to test copy at

all lies the question of what particular tests should be used. The question had occupied the attention of professional and academic researchers since copy testing first began, and a great deal has been written on the subject much of the interest lies in assessing the validity and reliability of various types of tests. The subject is also important because considerable stakes are involved by research supplier companies no tend to offer a particular kind of testing service rely on one testing method, and encourage the development of new and better testing methods, and its annual conferences generally relate to questions of the strengths and limitations of particular methods of techniques.

The basic question in test selection is whether or not a test is a valid and reliable. Does it really measure the effectiveness of advertising? More specifically are the particular measures used in any test true of the constructs involved? Is the test reliable and will it measure the same thing each time it is used? Can one test measure everything or are multi tests required? These are some of the questions of copy-test selection.

Appropriate Copy-Test Measure(s)

The first problem in assessing copy test validity is that, if the advertisement is to be tested with respect to a communication objective a measurable and useful variable that represents the objective. The development of an operational objective is no simple task. In fact, Researchers must often work with a vague or ill-defined set of objectives. Clarity in what is being sought from the ad-and therefore being tested in the copy test is crucial. One measure cannot be generally a substitute for another; recall does not measure persuasion, and one must decide which of those is being sought for a particular ad.

Obviously, therefore, the validity of a particular copy test will depend on the advertising response that is desired. A campaign that is designed to gain awareness may not best be measured by test that focuses on immediate behavioral response. A campaign that attempts to create an image or an association with a feeling such as warmth might require many repetitions and a subtle measurement method, perhaps asking some questions directed at the use experience. A single exposure test with a coupon redemption measure may not be appropriate at all. Thus, the usefulness of the various criteria used in testing needs to be evaluated in the context of the advertising objectives involved.

The choice of copy-test measure should also be guided by the riskiness of the decision involved. Tobegi a major new campaign involving strategic

departure is a high-risk decision that requires a total evaluation of all the constructs mentioned earlier. It is also important to assess whether the copy appears to an tagonise about consumer reactions to the execution so that the decision could be based on all the evaluative and diagnostic measures. It is possible to get high awareness but negative reactions.

Total ad evaluation is not always economically practical or necessary. Extensions of existing campaigns are low-risk decisions requiring only practical or necessary. Extensions of existing campaigns are low-risk decisions requiring only partial evaluation. In particular evaluations, persuasiveness or attitude change will sometimes be the issue and attentions will be of little concern. Sometimes clarity of communication will be the issue, and a subjective judgment of its persuasiveness will surface. Some times the major concern will be focused on possible negatives in execution. In each case, the objectives of the copy test will differ.

Best Scales: The ARF Study

Once such objectives have been set, which copy-test measures are most valid for each objectives? In a recent study conducted by the advertianing Research Foundation which involved six copy-testing measures, five pairs of packaged – goods commercials and sales measures obtained over a year using split-cable testing it was found that

- The best (most predictive of sales differences) copy-testing measure for persuasion was a simple poor – to – excellent rating of the brand, obtained after exposure.
- The best copy-testing measure for salience was then number of times the brand was mentioned first in unaided awareness for that category.
- The best copy-testing measure of communication was "other than to get you to buy the product, what was the main point of the commerciam?"
- Ads led to sales if they were rated high on either or both of "tells me a lot about how the product work's and "this advertising is funny or clever, "but not if they rated high on "I find this artistic" or "this ad doesn't any facts, it just creates an image."

Competitive Context

Since the ad being tested will eventually run amid competitive clutter, with such clutter decreasing the effectiveness of the tested, researchers David

NOTES

> ***Check your progress***
>
> 4. In 1982, a coalition of twenty one advertising agencies developed the principles of copy testing called ______

Stewart, Paul Miniard, and others have pointed out that the success or failure of a particular ad campaign can only be assessed completely if the measurements are conducted in a competitive context. Further, when copy-testing an ad, measures should be collected not only for the Irand in question but also for cooperative brands. Thus, though an ad may not show increases in favorable beliefs or overall attitudes for competitive brands – which will not show up in a copy test unless these competitive measures, too, are collected, including relative measures (e.g. "which of these brands is better on this attribute?"

Further, if comparative advertising is being employed, measures of the perceived similarly between the two brands should also be measures of the perceived similarity between the to brands should also be collected before and after exposure since one effect of the ad might be to increase the perceived similarity of the brands being compared. Relatively since an ad may change certain consumer beliefs about eh tested brand (or competitive brands) other than those explicitly discussed in the ad by consumers making their own inferences about those non discussed beliefs, copy tests should obtain before and after measures of such inferential beliefs as well, in addition to measuring beliefs explicitly featured in the ad.

Target Market

Ascend issue here is that given that a target population can be sensibly defined, the subjects in the test should be representative of the target population. Ideally they should be selected randomly and the sample size should be large enough so that the results are statistically valid. Of course, compromises must be made. It is often not feasible economically to obtain large random samples, especially if personal interviews are involved. The bias introduced by non respondents is a problem that is particularly crucial in some tests. People differ widely in their propensity to answer questions, to participate in laboratory experiments, to be subjects in physiological tests, and to be members of consumer panels. The danger is that those who refuse to participate may respond differently from those who do. In addition, mail –intercept methods obviously access only mail shoppers and cable-based tests miss those not connected to a cable. There is also a question as to whether one or even three or four cites can provide a representative sample. Consequently, the results may not represent the population for which the sample was drawn.

Reactivity

This, and perhaps most significant is the reaction of the respondents to

the test environment and the measuring instruments. Research has shown that consumers expecting to be quizzed on ad recall or recognition performed better on such tests than consumers not expecting those tests. Such reactions can distort the results. When a respondent is in a test situation he or she tends to act differently. The main problem in any advertising study is the tendency of respondents to act as they should act (called reactive effect role selection, the guinea pig effect, etc.). There is evidence that this problem is minor in a system such as behavior scan when the panel member becomes acclimated to the system. However, it is pf greatest concern in systems which demand that the respondent give an attitude response. Is the respondent willing and able to respond accurately?

There are techniques to minimize the reactive effect. One is to divert respondents from the actual purpose of the experiment. Thus a respondent may e told that she or he is evaluating television programs instead of their accompanying commercials. This technique, however by no means eliminates all such bias. Furthermore it is has moral and ethical implications How much deception should be wherever possible, non reactive measures thus one might unobtrusively observe store traffic or sales. Direct –mail tests can usually be conducted with little reactive effect, since a non-reactive response measure to the direct-mail advertisement is usually available.

Rough Vs Finished

A fourth issue is whether a rough mock-up can adequately predict the response from the finished ad several copy-test firms have reported high correlations with mock-up measures and finished copy measures. The seriousness of the problem will depend on the difference between the mock-up and the finished commercial and the impact of this difference on audience response. For example, it is very difficult to test humor, emotional response, or overall ad likeability in rough form. On the other hand, rough ads such as animatics are well-suited to testing copy-point comprehension and can thus be used for strategy testing, although some research shows that animatics may overstate comprehension because they are more static than finished ads.

Number of Exposures

A fifth issue is the frequency of response: To what extent can a copy test predict the response to a campaign that will involve dozens or even hundreds of exposures? Can a single exposure provide meaningful results, or should a minimum of two or three be used? Still another issue is the context in which

the test advertisement is embedded. The use of cluster of advertisements embedded. The use of a cluster of advertisements embedded in a program or magazine is the most realistic but adds complexity and is possibly confounding.

Natural Versus Forced – Exposure

Finally, such approaches as the theater tests or mall intercept exposure contexts are termed forced exposure tests because the setting is artificial and the respondent is required to watch. The others, such as the Behavior Scan split-cable testing, are termed on-air tests because the exposure is a natural home setting in the context of watching a show. Approaches such as the ASI Apex method are on-air but the respondents realize they are in a test and are not watching a show they would watch at a time they would normally watch it. Thus, there is still concern that the exposure context may affect the .results.

Thus, running through the validity considerations is a spectrum from artificial to natural. At one extreme would be forced exposure to a commercial mock-up with a paper-and-pencil response using a mail-intercept sample. At the other would be the Behavior Scan system, in which the audience member realizes that he or she is in a panel but otherwise everything is completely natural, including multiple exposures over time.

There are suppliers in each of the three major categories of copy-testing research: laboratory tests, simulated natural environments tests, and market tests. In television, laboratory and simulated natural-environment tests involve forced exposure, whereas market tests tend to be on-air recall tests. A study of advertiser and agency executive opinion on preferences between different versions of on-air and forced-exposure tests revealed the most preferred to be single-exposure, multiple-market tests in the on-air case (rather than single-exposure, single-market; multiple exposure, single market; or multiple exposure, multiple market). In the forced-exposure case, in-theater and laboratory tests were preferred to mobile trailer and in-home forced-exposure tests. These data, of course, indicate overall general preference, and test choices should be made on the basis of the particular situation involved.

Copy-Test Reliability

Copy-test selection must also take into account the reliability of a particular test. Will it measure the same thing each time it is used? Much work has also been done on this question. In a study by Kevin Clancy and Lyman Ostlund, for example, a second measure taken at a later time was developed

for 106 on-air recall-tested commercials. The authors report reliability coefficients (the correlation of scores taken at one time with those taken at another time) of 0.67 (and when product category effects were removed) of 0.29. These are comparatively low, and on this basis, the authors challenge the reliability of on-air recall tests.It has been shown that reliability of preference measures is often even lower than that for recall measures, especially if single-exposure preference measures are being used.

Alvin Silk has pointed out some of the dangers of using the test-retest approach to reliability assessment. It is important that test-retest conditions be equivalent. If, for example, consumers have been exposed to the advertising in different contexts between the two testing occasions or to competitive advertising, the testing conditions may not be equivalent, and a low correlation may not signify low reliability. Research by Jacob Hornik has even shown that the copy-test scores can vary depending on the time of day - immediate, recall is highest if the ad is tested at 9 a.m. because people are most alert at that time! It is indeed difficult to make straightforward assessments of copy-test reliability using the test-retest procedure because of such factors.

Copy Test Sensitivity, and Other Considerations

Copy-test selection should take into account several other considerations concerning the nature of a particular test or supplier providing the test. In addition to reliability and validity, for example, Joseph Plummer recommends that tests be assessed on five other criteria:

1. Sensitivity: The test should be able to discriminate between different commercials within brand groups.
2. Independence of measures: The different test measures should have little interrelationship across many testing experience.
3. Comprehensiveness: The test should provide. In addition to basic evaluative scores, some information that will indicate the reason for the levels of the evaluative scores.
4. Relationships to other tests: The test should provide similar results for the same stimuli tested by a similar but different measurement system.
5. Acceptability : The test must have some acceptance by those responsible for decisions in terms of a commitment to work with the test findings.

In choosing a supplier, obviously the reputation of the company, such as its service and delivery record, availability of norms, and stature in the industry, will be important. Things like geographic location and costs of the service relative to competitive offerings also come into play

These are some of the considerations that need to be taken into account in assessing test validity. The table provides an overview of some of the important ways in which copy tests can differ. Each dimension involves validity issues and trade-offs with cost.

9.7. THE PACT PRINCIPLES

In 1982, a coalition of twenty-one advertising agencies developed the following principles of copy testing, called PACT (positioning advertising copy testing), which summarizes much of what we have discussed earlier in this chapter and introduces a few others:

1. A good copy-testing system provides measurements which are relevant to the objectives of the advertising.
2. A good copy-testing system is one which requires agreement about how the results will be used in advance of each specific test.
3. A good copy-testing system provides multiple measures because single measurements are generally inadequate to assess the performance of an advertisement.
4. A good copy-testing system is based on a model of human response-the reception of a stimulus, the comprehension of the stimulus and the response to the stimulus.
5. A good copy-testing system allows for consideration of whether the advertising stimulus should be exposed more than once.
6. A good copy-testing system recognizes that the more finished a piece of copy of the more soundly it can be evaluated, requiring, as a minimum, that alternative executions be tested in the same degree of finish.
7. A good copy testing system provides controls to avoid the blasting effects of the exposure context.
8. A good copy-testing system is one that takes into account basic considerations sample definition.
9. A good copy-testing system is one that can demonstrate reliability and validity.

Table: Alternative methods of copy testing

The Advertisement Used

- Mock-up
- Finished Advertisement

Frequency of Exposure

- Single exposure test
- Multiple exposure test

How It's Shown

- Isolated
- In a clutter
- In a program or magazine

Where the Exposure Occurs

- In a shopping center facility
- At home on TV
- At home through the mail
- In a theater

How Respondents are obtained

- Pre recruited forced exposure
- Not Pre-recruited/natural exposure

Geographic Scope

- One City
- Several Cities
- Nationwide

Alternative Measures of Persuasion

- Pre –post measures of attitudes or behavioral that is, pre/post attitude shifts
- Multiple measures that is, recall/involvement/buying commitment.
- After only questions to measure persuasion that is, constant sum brand preference Test market sales measures that is, using scanner panels.

Bases of Comparison and Evaluation

- Comparing test results to norms
- Using a control group

9.8. SUMMARY

Thus, the copy testing implies that funds will be allocated to research on consumer reactions to the advertising before the final campaign in launched. This chapter discusses the details about advertising copy-testing and diagnosis and PACT principles.

9.9. ANSWER TO CHECK YOUR PROGRESS

1. Three
2. Qualitative Research
3. Conjugately programmed
4. PACT

9.10. MODEL QUESTION PAPER

1. What are the issues that one should address in copy testing?
2. What are Recognition and Recall tests?
3. Discuss forced – exposure brand – preference change model.
4. What is Split – cable testing?
5. What are the methods of copy – testing?
6. What are Advertising tracking studies?
7. "Validity and reliability are the thin questions that must be asked in copy – testing" – Discuss.

NOTES

SALES PROMOTION

STRUCTURE

10.1 Introduction
10.2 Unit objectives
10.3 Reasons of growth
10.4 Types of Sales Promotion Scheme
10.5 Sales Promotes
10.6 Action – Oriented Communication
10.7 Summary
10.8 Answer to check your progress
10.9 Model questions

10.1. INTRODUCTION

Suppose you are going to the market to buy soap. The shopkeeper recommends that if you buy two soaps, an extra soap will be given to you free of cost under "buy 2 get 3" scheme. You feel attracted to buy as by doing so you are saving money on one soap. Moreover, soap is an item which is necessary on a regular basis, and so you can keep the extra two cakes to be used later on. This is a one of the methods for increasing sale of a product and it is quite different from what you have learnt in the earlier two lessons. Let us learn more about it in this lesson. All businessmen want to increase the sale of goods that he deals in. He can take on several ways for that purpose. You might have heard about "win a tour to Singapore", "25% extra in a pack of one kg", "scratch the card and win a prize" and the like. You might also have seen gifts like T-Shirt, lunch box, pencil box, pen, shampoo pouch and thelike offered free with some products.There are also exchange offers, like in exchange of existing model of Mixer grinder you can get a new model at a reduced price. You may have also observed in your neighbouring markets notices of "winter sale", "summer sale", "trade fairs", "discount upto 40%" and

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many other schemes were attract customers to buy certain products. All these are incentives offered by manufacturers or dealers to increase the sale of their goods. These incentives may be in the form of free samples, gifts, discount coupons, demonstrations, shows, contests and the like. All these measures normally motivate the customers to buy more and thus, it increases sales of the product. This approach of selling goods is known as "Sales Promotion".

The term 'sales promotion' has become widely accepted as covering special promotional schemes, usually of limited duration, at the point-of-sale or point-of-purchase. Such schemes were formerly referred to as 'merchandising'. And the old term is still used in some quarters for example by the sales departments of television companies. Sales promotion has also acquired two other names, scene advertising and tactical advertising. Sales promotion can also be linked with direct response marketing. Various games and gimmicks can accompany mail shots.. Gifts such as small cameras and carriage clocks may be offered to those special customers buying the product. Horticultural suppliers offer gifts to those who place orders of a certain value.

Check your progress

1. Sales promotion has also acquired two other names of ______

10.2. UNIT OBJECTIVES

- Explain the importance of sales promotion
- To analyze the various types of sales promotion scheme
- Examine promotional games
- To find reasons for growth of sales promotion

10.3. REASONS OF GROWTH

Sales promotion has grown enormously in recent years, and sales promotion consultancies have reported record business. The chief reasons for this are outlined below.

a) The desire of advertisers, often worried by the high cost media advertising (e.g. TV), which has increased faster than the rate of inflation, to find more cost-effective forms of promotion.

b) The growth of huge supermarket chains and out-of – town super stores and the need for aggressive on-the-shelf competitive promotions, both to sell in and to sell out.

c) The opportunities provided by supermarkets, hypermarkets and large-scale mixed retailing to promote on the premises.

d) The need to proper sales, both to satisfy the cash flow of retailers and to maintain output from high volume production plants.

e) The availability of greater expertise in creating sales promotion schemes, as demonstrated by the emergence and growth of successful sales promotion consultancies. They have filed the gap left by traditional advertising agencies which were reluctant to indulge in other than commission – paying above –the-line media advertising.

f) The goodwill aspect of sales promotion which tends to bring the manufacturer closer to the retailer. Media advertising tends to be remote whereas sales promotion is more personal, linking the manufacturer with the customer at the place of sale wherever this may be.

g) The introduction of a certain fund and excitement into promotions which customers can enjoy as participants. This again, is quite different from media advertising with its strident clamour to buy.

h) The ability, with small unit FMCGs, to encourage impulse buying and attract first-time buyers.

i) The extension of sales promotion into new areas such as financial institutions promotion (e.g. banking and charge cards), and to the promotion of consumer durables from cameras to motor-cars, plus many services such as holidays, travel, hotels and restaurants. It is by no means limited to the supermarkets and High Street stores. It has also been extended to multinational and international marketing of products such as beer,

j) The growth of direct response marketing which often used sales promotion devices and gimmicks as inserts in mailings, or as rewards and bonuses to buyers.

NOTES

> ***Check your progress***
>
> 3. Advertising copy with ______ must be avoided

10.4. TYPES OF SALES PROMOTION SCHEME

Variety of Choice

A remarkable variety of sales promotion techniques is available, and a walk around a supermarket will reveal the large number of very different schemes which are operating simultaneously. Equally, at one's bank, travel agency, building society, filling station, hotel or corner shop all manner of schemes will be apparent. Often, they work on the principle that few people

can resist a free gift, price reduction or special offer, the appeal is basically to greed! While sales promotion schemes may induce habit buying or the buying of quantities to the exclusion of other brands, they can also induce frenetic brand switching and the loss of brand loyalty. The 'cherry picker' is the person who goes round a store selecting the special offers, probably irrespective of brand. On the other hand, sales promotion encourages greater competitiveness at the point-of –sale which can, of course, widen consumer choice and encourage people to make experimental first-time buys. All these implications have to be considered carefully by the promoter of any of the sales promotion schemes discussed below.

10.4.1. Competitors and Free Prize draws

Prize contests depend for success on the value or originality of the prize, and perhaps on the additional chances of winning offered by consolation prizes. The entry requirement can be proof of purchase such as a token or entry coupon detached from the pack, extra entries requiring extra purchases. There is a distinction between a prize competition which requires an element of skill, and a free draw which depends on chance. To avoid the illegality of a lottery, no proof of purchase or in fact any purchase is required, and the promoter offers prizes to lucky entrants.

10.4.2. Self-liquidating premium offers

The meaning of the expressing 'self-liquidating' is not that slow selling goods or old stock are sold off cheaply, but that special lines are bought by the promoter and offered at a premium (i.e. less than normal retail price) which will liquidate the cost. Many such lines are, however, made up specially and are not available in the shops, and care has to be taken not to make a false reference to retail value Premium offers have the irresistible appeal of the bargain that must not be forsaken.

10.4.3. Mail-in free offers

Here, no payment is required, only proof of purchase or perhaps a token payment to cover postage and packing. Care is necessary to control demand and supply, and it is best to limit the offer in some way.

10.4.4. Free Gifts with goods

The gift is usually attached to the product, as with a toothbrush to a carton of toothpaste. Toys (carefully packed separately) may be inserted in packets of breakfast cereals, alternatively, the customer may have to request the gift from the retailer.

10.4.5. Picture Cards

Originating with cigarette cards of years ago, these require collecting and so encourage repeat buying in order to obtain the set. They may be inserted in packs, or printed as cut-outs on cartons. Such cards are contained in boxes of tea bags.

Gift Coupons

Again, these have to be collected in order to qualify for gifts, and so require repeat purchasing. A catalogue of gifts must be made available. This has been a favorite with cigarette companies.

Cash dividends

Cash refunds against the collection of tokens with a cash value also induce repeat purchase.

10.4.6. Matching halves

Coupon halves are given with the purchase, and certain matching halves have claimable cash values. Cash premium vouchers or coupons these can be redeemed at the retailers as a price reduction. They may be printed in press advertisements, delivered door-to-door, or printed on packs as money off the next purchase. An example of door-to-door delivery of coupons is the very successful. The Coupon Book in which advertisers such as Brooke Bond, Colgate Palmolive. This method is claimed to be very economical, production cost being 50 percent less than for door-to-door leaflet distribution.

Cross-couponing offers and other schemes

This is a popular co-operation scheme whereby an on-pack coupon or token enables the customer to buy another product (not necessarily made by the same manufacturer) at a reduced price. A great variety of offers have been made such as free railway tickets, reductions of package holidays, or reductions on products associated with the one making the offer. The reference to another brand on a pack, whether as an advertisement or as a premium offer, is also known as 'cross-branding'.

10.4.7. High Street Redemption Schemes

This is a fairly recent on-pack idea, whereby a product carries a premium coupon entitling the customer to a discount at a named store. This is liked by the store because the discount can lead to other purchases.

10.4.8. Charity Promotions

Cash value tokens are printed on packs, and if these are sent to the

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Check your progress

2. Sales promotion can also be linked with _______

charity it can redeem them with the promoter of the scheme.

Jumbo or multiple packs

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This means that a number of items are packed together or the container is extra large, and offered at a special price. It is an economical way of both packing and buying such items, and ensures that the customer is well stocked with the product and may thus become a habit buyer. Example Kit Kat – season pack, Top Ramen noodles-special offer pack of three at a lesser price.

10.4.9. Branded packs

A number of items are branded together and sold at a bulk price, e.g., bars of soap, bars of chocolate.

Flash Packs

Special offers, or money-off offers, are 'flashed', that is printed on the wrapper or carton, a sure way of inducing impulse buying. This is one of the most popular sales promotion schemes, and very easy to operate, having immediate appeal to the impulse buyer.

In-store demonstrations, Here a demonstrator will have a booth in the store and demonstrate the product (e.g. an ironing board) or offer samples (e.g. drinks), and either sell the product directly or pass sales to the regular shop assistant.

10.4.10. Promotional games

These have become popular in recent years, and include scratch cards revealing a possible cash claim which the promoter will redeem.

Advertorials

An old favorite when a new product is launched is to supply it to a newspaper or magazine which provides an editorial feature and makes readers a special introductory offer. This has been used to launch lipsticks and shampoos through mass-circulation women's magazines, and it has been developed in many other joint ventures with publishers offering a wide variety of product sand services from camera lenses to holidays. For some publishers it has become an additional business activity while providing a reader service. *Example:* The Times of India brings out a feature called the response feature dedicated to a whole product category or industry.

On-pack direct marketing

A number of product packs, carry offers which are perhaps more than premium offers, and are really an extra form of trading.

10.5 CONSUMER PROMOTIONS

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Consumer promotions are designed to offer consumers an incentive (such as a lower price or a free or low-cost premium or gift) to try a brand for the first time, to switch back to it, or to repurchase it. The different types of consumer promotions vary in their trial versus repurchase orientations, as will be pointed out below. A few consumer promotions, such as sweepstakes and premiums, can be designed with a view to enhancing the key imagery equities of the brand.

a) Coupons

Coupons are perhaps the most frequently used consumer promotion over 300 billion coupons were distributed in the United States through print media in the early 1990, but only about 3 percent were redeemed. Although over 75 percent of all coupons are currently distributed through newspaper FSI, coupons distributed through direct mail are more targeted than are those distributed through print media (newspapers and magazines) and thus have much higher redemption rates (about 9 to 10 percent in direct mail versus about 2 to 3 percent in newspapers). Whereas coupons that are in or on the pack are specifically designed to build resemble target market (such as coupons for a baby shampoo carried in a diaper product) are designed to attract new customers. These latter coupons are called cross-ruff coupons. Coupons (or cash checks) are often offered as straight price rebates for durable products, such as cars or appliances, and are sometimes offered as refunds, mailed to consumers who send in proof of purchase. (Manufactures often hope that many consumers who buy products because of a mail-in rebate never in fact mail-in the rebate, and this is often the case!)

From an advertising perspective, it is important in coupling to design the coupon ad in such a way that it builds on, and reinforces the positioning and key benefits developed in theme advertising, rather than having a different theme (or no theme at all, other than the price incentive). Similarly, a rebate offer might be creatively designed to highlight a brand strength – for instance, an offer to pay for a car's gas consumption or maintenance expenses in its first year might better highlight the car's gas economy or repair record than a simple rebate check. In addition, of course, the coupon must be designed so it is easy to clip, shows the package prominently, has the appropriate legal copy, and so on.

From a media standpoint, another key objective in composing is to

make sure it really gets new users instead of merely going to existing users who would have bought it anyway. The easiest way to deliver coupons, to gain mass reach, is to use newspapers. However, it has been estimated that only one-third of coupon usage, from such mass-distributed coupons (such as those in Sunday newspaper FSI), comes from new users. As a result, many more companies are either mailing coupons via direct mail to those known to be nonusers, or using new in-store service (such as Catalina Marketing's Check-out Coupon Service) which prints a coupon for a brand at the point-of-sale to someone who has just bought a companies brand. The coupon is "triggered" by the scanned purchase of the competing product.

This synergy can work the other way as well: coupons or other promotional offers can be used to increase the effectiveness of an ad by increasing readership. Apple computer supported the introduction of its Macintosh with a "Test Drive a Macintosh" promotion, which allowed customers to leaver computer showrooms with $2,400 worth of equipment. The budget was $10million, of which $8 million went to advertising and the rest supported such activities as in –stores displays and carrying the inventory costs. Around 2,00,000 Macintoshes were test driven, at a cost of only $5 each.

) Sampling

Giving people free samples or trial packs (door to door, at street corners, in stores or shopping malls, or though the mail) is another promotional technique and is an excellent (but expensive) way to get consumers to try a product Arial Detergents for instance, distributed 80,000 full-size samples of its new products, plus coupons and literature, in selected metros. A new product launch could include a small sample mass-mailed to possibly half of the nation's households. Alternatively, for an existing product, small trial packs could be mailed to households known-as part of a database marketing effort to be current users of a competitive product. New and creative avenues for in-store sampling include sampling children's products in toys stores such as Toys R Us sampling products aimed at teenagers in college bookstores, and so on. In such sampling programs, care must be taken to provide enough product quantity to convince the trier that this is indeed a better product while simultaneously minimizing product, packaging, and mailing expenses.

An ad for Lipton's new teas that asked consumers to write in for trial tea bags, it is often appropriate to do such sampling for new brands, after running an introductory flight of ads to build awareness and favorable attitudes (so that consumers who receive the free sample already know about it

and are predisposed to try it). It may often be more cost effective to do such sampling than to run additional advertising for such new brands, after that introductory advertising. When feasible, the advertising could feature an in-store coupon for a free trial pack or a toll-free phone number to call for one.

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c) Price Packs

Price packs (packs that offer a lower than usual price or greater than usual quantity) are another kind of consumer promotion that can both attract switching and reinforce loyalty. Here again, it may be more supportive of the brand's advertised image to offer "extra" product volume than to simply lower price. For some products (such as tea, coffee, detergents, etc.,) it may be possible to offer the "extra" volume in a special container (such as a glass carafe or plastic dispensing unit) that reinforces some aspect of the brand's image.

d) Premiums and Gifts

The same kind of thinking can be used to select *premiums* that are offered to consumers (these are "free" products that are provided in the pack or mailed if multiple proofs of purchase are sent in, either at no cost or at below retail prices. If the latter, they are called self-liquidating premiums because the company recovers its out –of-pocket costs). An intelligently selected premium can be used to reinforce a brand image: Mueslix cereal from Kelloggs, for instance, which built its initial advertising campaign around a European heritage, offered consumers a packet of European currency notes if they sent in the required numbers of proofs of purchase. In-pack premiums (such as toy characters in children's cereals) can also be designed to build a brand's image. The cigarette brand Marlboro offers loyal consumers-those who collect enough box tops-merchandise with an outdoorsy, Western, cowboy theme that reinforces the brand's classic imaginary. Since such premiums typically require multiple proofs of purchase, they are designed most often to build repeat purchase and customer loyalty.

> ***Check your progress***
>
> 3. Sales promotion are of two broad types: ______

e) Sweepstakes

Sweepstakes are another kind of consumer promotion, and these offer the greatest potential to reinforce a brand's advertising platform. McDonald's, for instance, ran a sweepstakes promotion at the same time that its ads were featuring a "McDonald's menu song" in which consumers had to play a plastic record to find out if they had won-with the record featuring the same menu song. Benson & Hedges cigarettes, around the time it launched a 100-mm-

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length version, ran a sweep stakes in which consumers had to pick which one of a hundred mini contests they wanted to enter, in which each of these mini contests had as their prize 100 units of something (such as 100 pints of ice cream).

f) Subsidized Financing

The incentive is frequently used in the promotional programs for many durable products, including automobiles. Since these products are often purchased by consumers on monthly installment plans, the consumer is more concerned with monthly payment amount, including the monthly interest payment, than the total amount paid. Companies therefore attempt to lower this monthly amount by offering a subsidized interest rate, often through a captive financing subsidiary (such as General Motors Acceptance Corporation, in the case of General Motors).

The key thought in the foregoing discussion on consumer promotions is that promotions are needed to move the consumer along to making the needed "action" step, or needed to build loyalty and promote repurchase, after advertising has done its job in crating awareness and preference. However, promotions can sometimes hurt a brand's image by cheapening it, but this is not necessary if the promotion is designed with a view to working with and strengthening theh brand's advertised image.

10.5.1. Trade Promotions

Trade promotions are financial incentives given to the trade to stock the product, to buy in larger quantities, to move merchandise from the warehouse onto the retail shelf, to display the brand in end-aisle displays, or to feature the brand in local retailer advertising (such as on "best food days" – Wednesdays or Thursdays), including offering retailer coupons, and so on. Another purpose served by trade promotions is that they give the manufacturer some degree of control over the final price charged to the end-consumer. If the price to the retailer is cut it should lead to (at least slightly) lower prices for the consumer. Co-operative advertising is discussed later in this chapter, but many of the other types of trade allowances are discussed briefly below.

These trade promotions often have the objective of "buying" retail shelf space and getting additional retailer "push" by loading the retailer with extra inventory or of giving the retailer a temporarily lower price in the hope that some of the price cut is passed on to the consumer. Unfortunately, retailers

have begun to keep back for themselves much of the price incentive they are expected to pass on to the consumer (the pass-through percentage is often only about 50 percent). In addition, many retailers often they deal promoted product volume than they can sell at that time, either using the extra volume for no promoted future time periods, or "diverting" that volume to other dealers at a slight mark-up. As a consequence of these practices, trade promotions have begun to account for a very large percentage (20 to 30 percent) of retailer's total profits.

Because of these problems, manufacturers have recently begun to cut back on these promotions, often by substituting a lower everyday low price (EDLP) for a sometimes-high, sometimes-low (high-low) price and promotion policy. Since cutting back on trade promotions will obviously hurt retailer's profits, manufacturers have tried up compensating the cost that retailers incur in warehousing, transporting, and stocking that manufacturer's products through processes called efficient consumer response. The hope is that the retailer's needs better, often on a store-by-store or market-by-market basis.

Some of the types of trade promotions frequently used by manufacturers are described briefly below:

a) Off- Invoice or Buying Allowances

These incentives are the simplest form of trade promotion and are nothing more than a price cut of a certain percentage applied to the volume bought by a retailer during the promotional period (e.g., 5 percent may be taken off the invoice, hence the name). No retailer performance (such as displays, features ads in retail store circulars, etc.) is required. As mentioned, retailers often purchase more than they can sell during such promotional periods to have enough stock to last them to the next promotional period, a practice called bridge buying of forward buying. A variant of such promotions is the offer of free goods, such as one unit free per dozen purchased. This has the advantage of requiring the retailer to actually sell the free good before the gains from the promotion are financially realized, putting greater "push" pressure on the retailer.

b) Count-Recount Allowance

Under this type of trade promotion, the discount is applied not to the quantity the retailer buys from the manufacture during the promotional period, but only to that quantity that is moved from the retailer's warehouses into the retailer's stores. As a consequence, the retailer is given a greater incenti·e to

pass the price cut on to the consumer so that the product "moves" form the stores into consumer's hands.

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c) Bill back Allowances

These allowances are paid by the manufacturer to the retailer on a per-case basis only if certain performance criteria are met. While they have the advantage of "pay-for-performance", they have the disadvantage of requiring sales force and administrative time to monitor compliance. The kinds of "performance" expected from the retailer could include in store displays, feature ads in the retailer's circulars, and so on.

d) Display Allowances

These allowances are incentives to the trade to display the product prominently, in an end-of-aisle or store-window display. These have been found to be very effective, because many time-pressed consumers simply pick up those brands that are made salient by such displays, assuming they are on sale (which is not always the case). Stores like such allowances because they are a good source of revenue (a grocery chain might charge $ 200 per week per store for a display). For durable goods, such displays are often a very valuable tool to educate both the consumer and the retail salespeople about the special features of the product.

e) In-Ad Grocer Coupon

This type of payment by the manufacturer is made to the retailer in return for which the retailer features a coupon for that brand in the retailer's weekly advertising circulars. The coupon is redeemable only in that retailer's store. The manufacturer pays the coupon face value, plus handling costs.

f) Slotting or Facing Allowances

These allowances are one-time fees paid by the manufacturer to the retailer to get a new brand on the retailer's shelf, paid to compensate the retailer for the brand removed to make space for this new brand and for associated inventory and administrative costs-and the risk-involved with the new brand. These fees may cost manufactures anywhere from $10,000 to $100,000 per item per chain.

g) Trade Inventory Financing or Delayed Billing

These financial incentives are used most often in durable goods industries, such as appliances or automobiles. The manufacturer lowers the cost to the retailer to purchase to stock on the retail floor or in inventory, either by offering a reduced – rate financing facility, by delaying billing, or both.

h) Sweepstakes, Contests, and Spiffs

These are incentives used to reward retail salespeople who meet their sales quotas for the manufacturer's goods, usually for durable goods, paid for by the manufacturers of those products. Ideally, these are timed to run concurrently with consumer promotions.

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10.6 ACTION – ORIENTED COMMUNICATION...

10.6.1. Retail Advertising

Another example of advertising that has direct, action objectives is the advertising of retailers, or *retail advertising.* What are the advertising practices of successful retailers? The best retail advertisements are those that provide the consumer with a lot of specific information, so that the consumer can see immediately that he or she must indeed visit the store, it is not enough, therefore, to say (for example) that the shirts on sale are available in various colours and sizes; it is much more action – inducing to list the exact colours, sizes and prices. Any piece of missing information could hinder action. It is also important to create a sense of immediate availability and urgency, by stressing that this availability (and these prices) are "for a limited time only".

> ***Check your progress***
>
> 4. Types of co-operative advertising may be ______

While there is probably little carryover effect of advertising of a specific storewide sale, retail advertisers are very particular that every retail ad fit and enhance the specific long – term image of the store. Every and from Bloomingdale's, shoppers stop kids kemps, and so on is carefully tuned to the particular character- the "look and feel" – that the store has carefully developed over the years.

For durable products, such as large appliances and automobiles, an appropriate behavioural objective for advertising might to be entice customers to visit a dealer's showroom. For large – ticket consumer items, the final phase of the selling process are usually best handled by a person – to –person sales effort, with advertising used appropriately to draw people to the showroom. In such situations, "traffic – building" advertising becomes key, and (once again) the advertising must try to create a strong sense of desire, curiosity and urgency to get the reader or viewer to make that store visit.

10.6.2. Cooperative Advertising

A situation closely related advertising is that of *cooperative advertising,* in which a manufacturer offers retailers an advertising program for the latter to run. The program may include suggested advertising formats, materials to be used to create actual advertisements, and money to pay a portion

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(often, half) of the cost. It also often includes requests or requirements that the retailer stock certain merchandise quantities and perhaps use certain displays. By some estimates, almost one – half of retail advertising is some from of co-op advertising.

There are three types of co-op advertising: (1) vertical (where an upstream manufacturer or service provider, such as Royal Cruise Lines, pays for a down – stream retailer's ads, such as a travel agent's ads) ; (2) *horizontal* (when local dealers in a geographical area pool money, as in automobiles or fast – food chains) I and (3) ingredient producer co – op (when the producer of an ingredient, such as NutraSweet, pays part of an and run by the user product, such as Diet Coke). Recent estimates have put the amount of co – op advertising in the U.S. at about $10 billion per year, of which about two – thirds are spent through newspapers. Co-op ads thus constitute a large portion of newspaper advertising revenue, and newspapers have set up organization (such as the Newspaper Co – op network, and the Newspaper Advertising Cooperative Network) to alert local retailers to manufacturer Co – op programs they may not be fully utilizing.

The intent of cooperative advertising, in part, is often to stimulate short – term sales. The advertising is well suited to this task because it is usually specific as to the product, the place at which it can be purchased, and the price. However, Co – op advertising also has other longer – term objectives: namely, to reinforce the brand image of the original manufacturer or service provider and to maintain the manufacturing company's leverage with the retail trade. The former is especially important because retail store buyers and salespeople often favor products that come with large allowances, to the extant that a product not having the expected co – op amount can find itself losing distribution.

10.6.3 Reminder, Point-of-Purchase, and Specialty Advertising

Sometimes the primary role of advertising is to act as a reminder to buy and use the brand. The brand may be established and have a relatively solid, stable image. Reminder advertising then serves to stimulate immediate purchase and / or use to counter the inroads of competition. Examples of reminder advertising are the "shelf talkers" or other point – of – mind awareness of the brand, thus increasing the probability that the brand gets included on the shopping list or gets purchases as an impulse item. A media plan that aims to enhance or maintain top-of –mind awareness through reminder ads

might utilize shorter ads (such as fifteen-second commercials) with a high level of frequency or use media such as outdoor billboards or transit that are suited to such reminder advertising . Second, it can reinforce the key elements of the national campaign at the point-of purchase. It has been shown in research by Kevin Keller that if there is a match between the type of information used in the P-O-P material and in an ad for the brand seen previously, the consumer is more likely to recall the information in the ad successfully, and this leads to more favorable judgment about the brand involved.

In addition, it is often useful in such situations to use items of specialty advertising, useful products given free to consumers that have the manufacturer's name and related information on them. Specially advertising items go beyond the usual calendars, ball-point pens, coasters, and Rolodex cards to all kinds of creative, high-quality products (such as a refrigerator magnet for Domino's Pizza that reminds a hungry but time – starved consumer which phone number to call for quick , home-delivered pizza). Manufactured by supplier companies, such specialty advertising items are not usually handled by traditional advertising agencies but by organizations called specialty distributors or specialty advertising agencies.

In addition to maintaining top-of-mind awareness for particular brand, reminder advertising can also increase the motivation for the use of the product class as a whole. In this context, the advertising may tend to simply increase the purchase and use of the product class and thus work to the advantage of the leading brand. Thus, reminder advertising for Royal Crown Cola may tend to increase purchases of other coals, to the advantage of coke and Pepsi, Similarly, Campbell's Soup is the brand that is in the best position to conduct reminder advertising.

10.6.4. In- Store Advertising and Merchandising

In-store advertising is a rapidly growing area of advertising, in large part because of the increasing realization among marketers that most consumer decisions about which brand to buy are made after the consumer enters the store and scans the brands on the aisles. As a result, a variety of new in-store media have become available to the advertiser, such electronically scrolling ads in the aisles, ads on TVs near the checkout lanes, ads in radio programs played in-store while the consumer shops, on-aisle coupon dispensers, even ads on shopping carts equipped with special video screens.

Another neglected type of in-store communication is the merchandising

environment, by which we mean the displays, signs, and positioning of the brand in that particular store. Creative and attention-getting displays in the store serve to do much more than stock the product: they can greatly add to sense of excitement about the product and lead to much greater involvement by the consumer in that product. An example would be the in-tore "computers" used by cosmetics companies such as Noxell that lets consumers make their own color matches. Service establishments, such as banks like Citibank or fast-food restaurants like McDonald's are constantly experimenting with better branch displays and signage to increase cross-selling opportunities as well as to create the particular kind of image and ambience that are so vital to creating a service company's brand image and equity.

10.6.5. Industrial Marketing: Sales leads

Industrial (businees-to-businees) marketing is similar to the marketing of durables in that advertising can rarely be expected to make the sales. Rather, a salesperson is usually required to supply information and to handle the details of the transaction. Advertising, in this case, can provide the engineer or buyers with the opportunity to express itself in the product by returning a card which is request for additional information. These inquiries of leads are then typically qualified by a telemarketing call can itself lead to a sale. Once qualified, the salesperson then follows up these leads by calling on the prospect, discussing his or her requirements, and trying to "close" the sale. Thus, for industrial advertising, a useful objective is to generate such inquiries or leads.

10.5. SUMMARY

This chapter discusses the importance of sales promotion, analysis the types of sales promotion scheme and the like. All the varieties of promotional campaigns that boost the sales are discussed at large.

10.6. ANSWER TO CHECK YOUR PROGRESS

1. scene advertising and tactical advertising
2. direct response marketing
3. Consumer promotions, and trade promotion
4. vertical, horizontal, ingredient

10.7. MODEL QUESTIONS

1. What are various tools of sales promotion available?
2. Discuss the growing importance of sales promotion is our country.

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Introduction

India's Top 10 Leading Advertising Agencies

Summary

Answer to check your progress

Model Questions

INTRODUCTION

'Advertising' is a medium meant to spread ideas to people using any means of communication. Liberalization has empowered advertising and has completely changed the Indian advertising scenario. The major areas touched by advertising are FMCG's food market, cosmetics and the like. Advertising is like the two sides of a coin. Sometimes it may seem that advertisements send out the wrong message or push people to buy certain products. On the other hand, advertising can be perceived as a means to sell a product or a service which can improve by competition. Today, advertising is booming. With the growing markets and competition, it has become an essential tool to reach the target market as well as the target audience. Advertisers in India have reached 75 percent of the population, using television as a media device, and the rest of the population is reached via radio. India, however, favours newspapers, magazines, television, radio, billboards and business publications to convey messages about various products. It is the advertising agencies' advertisements which portray ideas to the audience – agencies that compete to be ranked as the best. The world's leading advertising agencies – Ogilvy and Mather, J. Walter Thompson, BBDO, Lintas, McCann-Ericsson and Leo Burnett have successfully made a mark in the Indian market. The advertising agencies are ranked in order of their creativity as well as the expertise to deliver the content and message to the customers.

India's Top 10 Leading Advertising Agencies

With globalization penetrating every realm of our lives today, it is not surprising that advertising in India too undergone tremendous growth over the

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past decade. The 30-second slot between TV shows is a largely coveted space for most advertising companies today. Indian television viewers are very much influenced by visual ads and print ads, thus expanding the product consumer base. Mumbai continues to be the major advertising hub of this country.

Here is a quick sneak peek at the top ten advertising firms of India as of today.

1. Ogilvy & Mather

Ogilvy & Mather is an international advertising, public relations and marketing agency established in 1948. This New-York based firm operates in 125 countries across the world, with its Indian operation centre—Ogilvy Advertising—in Mumbai. Ogilvy & Mather is the creative team behind India's most successful and renowned brands such as Hutch (Vodafone), Cadbury, Asian Paints and Fevicol. The O&M network offers services to countless Fortune Global 500 companies across the world. Ogilvy Advertising continues to remain India's number one advertising agency.

Ogilvy & Mather Ltd
Trade Centre, Third Floor, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013
Tel: (0091 22) 491 3877 Fax: (0091 22) 491 3838
Branch telephone numbers:
Delhi: (0091 11) 631 7384-91
Calcutta: (0091 33) 247 3406-7
Chennai: (0091 44) 852 0677/0887/0967
Bangalore: (0091 80) 558 4566/4816
OgilvyOne Worldwide-Bangalore: (0091 80) 5065046-48
E-mail: N.A
Capitalised billings: Rs 7425.78 million
Television billings: 1852.73 million

Senior Executive: Ranjan Kapur, Managing Director

Major Clients: IDBI Mutual Fund (Mutual fund); SBI Mutual Fund(Mutual Fund); TTK Textiles (Tantex/Textile); J K Tyres(Tyres); Pantaloon Fashion India Ltd(Garments); Levers, Cadbury, Louis Philippe (coporate); UTI (MIP'97/Financial); TVS Suzuki (corporate): Tata Telservices (corporate), Tata Communications Ltd (corporate); Hindustan Lever Ltd (Brooke Bond, Lipton - tea and health); Discovery Channel Inc (Discovery Channel - television channel); ITC Ltd (corporate); MIRC Electronics Ltd (Onida - televi-

sion); The Chase Manhattan Bank (corporate); Birla 3M Ltd (Scotch Brite - cleaning aid); J M Morgan Stanley (J M Morgan Stanley - investment bank); Hero Honda Motors Ltd (bikes); United Television (television media); Castrol India Ltd (Castrol - lubricants); Hutchison Max Telecom Ltd (Max Touch - cellular operator); TELCO (Tata Safari, Sierra, Sumo - sports utility vehicle)

2. JWT

Popularly known as **JWT** J Walter Thompson is headquartered in New York having offices in over 90 countries. It was set up in 1864 and even today, continues to create, innovate and define the world of communication in India. JWT has many feathers in its cap including Nestle, Cadbury, Bayer, Ford, Nokia and Unilever. Among its several accolades, JWT was recently proffered with the "Grand Prix" award at the 2008 Cannes Lions International Advertising Festival for the "Lead India" campaign.

Hindustan Thompson Associates

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Delhi: (0091 11) 361 0081

Chennai: (0091 44) 827 1871

Bangalore: (0091 80) 227 3348

E-mail: mike.khanna@jwt.com

Capitalised billings: Rs 10 777.05 million

Television billings: N.A.

Senior Executive: M K Khanna, Chief Executive

Major Clients: Apollo Hospital (Apollo Hospital & healthcare); DSP Merrill Lynch (Investment banking); Hero Honda(CBZ/automobiles); Satyam Infoway(Software); Indian Army; Indian Navy; News Television India Pvt Ltd(Star news/Media); Standard Chartered (Personal Banking & Cards); Ministry of Finance (VDIS); Ministry of Defence (Indian Army - recruitment); Pepsi Foods (7 UP, Mirinda, soft drinks); Star TV Network (Star Plus, Star Movies, Star News); Omega (watches); ESPN (Channel promo); 20th Century Fox (film releases); Godrej GE (washing machines); Madura Garments (Van Heusen, garments); Hero Motors (Hero Winner, automobile); Parle (Monaco, biscuit); Hughes Ispat (telecommunication)

3. Mudra Communication

Mumbai-based Mudra Communication was set up in 1980 with the aim of using the art of communication to express ideas that shape its brands. The Mudra team focuses on its consumers and their needs and experiences. Its four agency networks ensure a customized and collaborative approach to create a brand experience for its clients. Mudra Communication has promoted famous brands like Neutrogena, HBO, Philips, Reliance NetConnect, Big Bazaar and Mary Kay in such a way that it creates a lasting impression in the hearts of the its consumers.

Mudra Communications Ltd

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Chennai: (0091 44) 825 0932, 8273151
Calcutta: (0091 33) 474 9084/85
Hyderabad: (0091 40) 3314181, 3390494
Kochi: (0091 484) 365750/301
E-mail: r.arora@mudra.com
URL: www.mudra.com
Capitalised billings: Rs 5232.54 million
Television billings: N.A.
Senior Executive: AG Krishnamurthy, Chairman & Managing Director

Major Clients: Mahanagar Telephone Nigam Ltd (Corporate); Indian Express (News paper); Mid-Day (website); Global Trust bank (Banking);Indian Tourism Development Corporation (Hotels); Business Standard (Publications); Raj TV (TV Channel); Henkel Spic India (Detergents); Godrej Foods; Ahmedabad Electricity Co Ltd (corporate); LIC of India (Insurance - services); Honda Siel Power Products (gensets); Satyam Computer Services Ltd (Satyam - computer software); Satyam Infoway Ltd (Satyam - internet services); Compaq (Compaq - computers); Cadila Healthcare Ltd (EverYuth - healthcare); Blow Plast Ltd (VIP Skybags - luggage carrier); Dabur Ayurvedic Specialities Ltd (Nature Cure - Ayurvedic products); Henkel Spic India Ltd (Fa - soap); Hindustan Motors Ltd (Mitsubishi Lancer - automobile)

4. FCB Ulka Advertising Ltd

FCB Ulka Advertising Ltd., since its inception in 1961, has continued to be among the top 5 advertising agencies in India. This company's aim has always been to create advertising that is noticeable and that is most relevant to the buyer, not the seller. Some of FCB Ulka's successful ads include Tata Indicom, Whirlpool, Zee Cinema, Santoor, Sunfeast and Amul, among others. FCB Ulka is considered as a turnaround specialist that indulges in more than just brand building.

FCB-Ulka Advertising Ltd

Nirmal, 4th Floor, Nariman Point, Mumbai - 400 021

Tel: (0091 22) 202 6884, 285 2184, 283 6068 Fax: (0091 22) 287 5947, 283 6072

Branch telephone numbers:

Delhi: (0091 11) 577 2810

Hyderabad: (0091 40) 434 1606

Calcutta: (0091 33) 282 2525

Bangalore: (0091 80) 558 7467

Kochi: (0091 484) 380 323

Chennai: (0091 44) 859 1828

E-mail: centrepoint@fcbulka.com

Capitalised billings: Rs 5215 million

Television billings: N.A.

Senior Executive: Anil Kapoor, Managing Director & CEO

Major Clients: N.A.

5. Rediffusion DY & R

Rediffusion DY & R is a Mumbai-based advertising agency that was set up in 1973. It focuses primarily on integrated PR services and media relations. This firm stands proud at number 5.

Rediffusion-DY&R

Young & Rubicam Ltd, 4th Floor, Sterling Centre, Dr A.B.Road, Worli, Mumbai 400018

Tel: (0091 22) 493 7308/13, 494 0206/5750 Fax: (0091 22) 493 6557

Branch telephone numbers:

Bangalore: (0091 80) 229 3067-69 Fax: 222 9297

Calcutta: (0091 33) 247 5432, 240 0328/1732 Fax: 247 5431

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Delhi: (0091 11) 696 1513/ 3149, 6521940-8 Fax: 685 8109
Chennai: (0091 44) 855 4643, 855 4436 Fax: 855 4674
E-mail: marie-dyr_fernandes@yr.com
Capitalised billings: Rs 4431.69 million
Television billings: N.A.
Senior Executive: Arun Nanda, Chairman & Managing Director

Major Clients: Godfrey Philips (Four square/cigarette); Haldia Petrochemicals(Petrochemicals); Evian (Mineral Water)BPL (Colour television, Refrigerator, home appliances), Ericsson Mobile (Cellphones); SAIL (Corporate); CitiBank (Corporate); Cannon (printers, calculators); Bharti BT Ltd (Internet service); BPL Mobile Communications Ltd (prepaid cellular cards); Exide Industries Ltd (Exide - automotive batteries); SBI Funds Management Ltd (SBI - mutual funds)

6. McCann Erickson India Ltd

The tagline "Thanda Matlab Coca Cola" is the brainchild of one of India's leading advertising agencies—McCann Erickson India Ltd. McCann Erickson was born out of a successful and profitable merger in 1930, and its offices in Australia, Southeast Asia, Latin America, Europe and India speak volumes about its advertising success till date. One of the many feathers in its cap is the famous brand line "For everything else, there's MasterCard."

McCann-Erickson India Ltd

8, Balaji Estate, Guru Ravidas Marg, Kalkaji, New Delhi 110 019
Tel: (0091 11) 600 2600 Fax: (0091 11) 646 3875, 600 2647
Branch telephone numbers:
Bangalore: (0091 80) 221 9058, 227 0289
Calcutta: (0091 33) 246 1001-3, 244 7829
Chennai: (0091 44) 435 9228, 432 3481
Mumbai: (0091 22) 416 0470/72
E-mail: name_surname@mccann.com
Capitalised billings: Rs 3479.53 million
Television billings: N.A.
Senior Executive: Sorab Mistry, Chairman & CEO

Major Clients: Reckitt& Colman(Cherry Blossom/shoe polish); Usha Martin Telecom(telecom); Coca-Cola (Kinley soda water, Diet coke, beverages, Sprite - Soft drink); Nestle(sunrise/coffee); BPL (Gas tables); Motorola

(Cellphones & Pagers); Khaitan (Fans); Nestle (Media buying); Stracon (Corporate); Goodyear India (Goodyear - tyre); Travel Corporation of India (tourism); Hong Kong & Shanghai Banking Corporation Ltd (HSBC - credit card, personal banking & corporate); MasterCard (credit cards)

7. RK Swamy BBDO Advertising Ltd.

RK Swamy BBDO Advertising Ltd. is one of India's leading integrated communication services providers, which is committed to developing marketing solutions for its clients. Its focus—to offer intelligent, cost -effective and creative solutions—has led it to achieve a remarkable double-digit growth in the past recession-hit period. R K Swamy BBDO is a subsidiary of the R K Swamy Hansa Group, which boasts of over 1000 employees and operations across India and the USA.

RK Swamy/BBDO Advertising Ltd

Film Chamber Buildings, No 604, Anna Salai, Mount Road, Chennai - 600 006

Tel: (0091 44) 829 2300, 829 2302 Fax: (0091 44) 829 5557

Branch telephone numbers:

E-mail: rksbbdo@md3.vsnl.net.in, ksbbdof@md3.vsnl.net.in

Capitalised billings: Rs 2315.95million

Television billings: N.A.

Senior Executive: R.K. SWAMY, Chairman

Major Clients: Cisco System(network solution); Abbott Laboratories India Ltd(Healthcare); Mercedez Benz (Automobiles); MTNL (Telecommunication); Sony India Ltd(Sony/TV); Fujitsu 'O' general(Airconditioners); SQL Star International Ltd(Computer education);Dalmia Cement (Cement); Wrigleys India (Wrigleys Juicy Fruit chewing gum); Dena Bank (Banking); ANZ Grindlays (Credit cards)

8. Grey Worldwide (I) Pvt. Ltd

Grey Worldwide (I) Pvt. Ltd. is a Mumbai-based advertising agency specializing is providing effective advertising and marketing solutions. With offices in Delhi, Kolkata, Bangalore and Ahmedabad, Grey Worldwide India Pvt. Ltd. is part of the larger family called the Grey Global Group. Following are some of the brands that feature on Grey India's noteworthy list of clients: Hero Honda, Maruti Suzuki, Nestle, Indian Oil, Ambuja Cement, UTV, P&G and Godrej.

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Trikaya Grey Advertising (India) Ltd

Block 2 - D, 3rd Floor, Phoenix Estate, 462 Tulsi Pipe Road, Lower Parel, Mumbai 400 013
Tel: (0091 22) 493 9336, 497 5401 Fax: (0091 22) 493 9355
Branch telephone numbers:
Delhi: (0091 11) 652 2679, 651 5625
Bangalore: (0091 80) 208 8396-8
Calcutta: (0091 33) 474 8518, 475 0869
Ahmedabad: (0091 79) 642 4561, 644 9562
E-mail: trikaya@tgindia.com
Capitalised billings: Rs 2208.00 million
Television billings: Rs 906.00 million
Senior Executive: Nirvik Singh, Chief Executive Officer

Major Clients: SmithKline Beecham (Viva, maltova/health drink); Dominos Pizza (Food); Sri Adhikari Brothers (SABe TV); Hughes Software (Software); General Motors (Opel Astra - automobiles); Oracle India Ltd (Oracle - software); United Agencies Ltd (Pernod - liquor); Bhartiya Janata Party (BJP - political); Philips Communications (Savvy - cellular phones);

9.Leo Burnett India Pvt. Ltd.

The creative team of Leo Burnett India Pvt. Ltd. has, over the years, successfully offered consumers with powerful brand experiences using ads like McDonald's, Heinz, Complan, Bajaj and HDFC, to name a few. A regular award winner at the Cannes festival, India's Leo Burnett has been proclaimed as one of the most creative agencies of the country.

Chaitra Leo Burnett Pvt Ltd

9/11 NS Patkar Marg, AB Godrej Chowk, Mumbai - 400 036
Tel: (0091 22) 380 7070 Fax: (0091 22) 380 4542
Branch telephone numbers:
Bangalore: (0091 80) 527 2507-9, Fax: (0091 80) 527 2506
Calcutta : 280 1022
Delhi: (0091 11) 5069831-34 Fax: (0091 11) 506 5961
E-mail: clb@vsnl.com
Capitalised billings: Rs 1967.21 million
Television billings: Rs 904.82 million

Senior Executive: Arvind Sharma, Managing Director
Major Clients: ICICI; Bajaj Auto; Dabur India; BPL Ltd; Coca -cola(mazaa/ beverage); Toyota (Qualis); Amtrex Hitachi(Air-conditioner)

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10. Contract Advertising India Ltd.

Since its inception in 1986, Contract Advertising India Ltd. has skill-fully delivered successful results to its high-profile clientele including Tata Indicom, Religare, Asian Paints, Domino's Pizza, SpiceJet, Samonsite and American Tourister. Contract Advertising India Ltd. is known for its one-of-a-kind specialty divisions that provide complete advertising solutions. These divisions include DesignSutra, iContract and Core Consulting.

Contract Advertising (India) Ltd
Vaswani Chambers, 264, Dr.A B Road, Worli Mumbai 400 025
Tel: (0091 22) 4306041, 4306042 Fax: (0091 22) 4303808/7890
Branch telephone numbers:
Bangalore: (0091 80) 221 4827, 221 9937
Calcutta: (0091 33) 2825824/5/6
Delhi: (0091 11) 561 8571/ 2
Chennai: (0091 44) 4616433/6501
E-mail: colvynharris@contractadvertising.com, cailho@giasbm01.vsnl.net.in
Capitalised billings: Rs 1786.88 million
Television billings: Rs 331.59 million
Senior Executive: Colvyn J Harris, President

Major Clients: Bajaj Ltd (spirit scooterettes); Indian Express (matrimonial); Cadbury India Ltd (picnic, milk treatChocobix); Dabur foods Ltd(real/ fruit juice); MTNL (corporate)

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